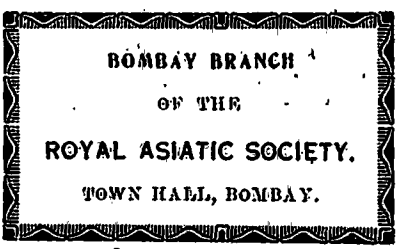
Statement
exhibiting the
Moral and Material
Progress & Condition
of India
1922-23 & 1923-24



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STATEMENT

EXHIBITING THE

MORAL AND MATERIAL PROGRESS AND CONDITION

OF

INDIA

DURING THE YEAR 1922-1923.

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INDIA
IN
1922-23

A Statement prepared for presentation to Parliament in accordance with the requirements of the 26th Section of the Government of India Act (5 & 6 Geo. V, Chap. 61)

BY
L. F. RUSHBROOK WILLIAMS
All Souls College Oxford
Director of Public Information
Government of India

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PREFATORY NOTE.

The task of preparing this report for presentation to Parliament has been entrusted by the Government of India to Professor L. F. Rushbrook Williams, C.B.E., and it is now presented under the authority and with the general approval of the Secretary of State for India; but it must not be understood that the approval either of the Secretary of State or of the Government of India extends to every particular expression of opinion.

FOREWORD.

THE period covered by this Statement presents a striking contrast with its immediate predecessor. From the economic standpoint, the year 1922-23 witnessed a gradual return to more normal conditions. Harvests were good; prices on the down-grade; and wages steady. The improved economic conditions were reflected in the politics of the period. As the failure of the Non-Co-operation programme to achieve its appointed ends became patent, wild and unreflecting enthusiasm gradually yielded to a more sober spirit. The process was aided by the contrast, which grew daily more marked, between the sterility in positive achievement of Mr. Gandhi's movement, and the steady tale of fruitful activities which stood to the credit of the new constitution. In the ranks of the Non-Co-operators the opinion gained ground that the Legislatures were exercising a great and growing influence upon the Executive; that a continued boycott of these bodies would condemn the party practising it to political extinction. The result has been a split in the Congress ranks between those who recognised the failure of their original programme, and those whose reason was still held captive by the power of Mr. Gandhi's personal prestige. Time will show whether the former group will enter the Legislatures in sufficient numbers to exercise a decisive influence upon the course of the Reforms; and whether they will employ destructively or constructively such power as they may possess. For while on the one hand the general atmosphere of responsible sobriety which characterises the Reformed Councils may be expected to modify the activities of those who enter them for the first time; on the other, the working of the new constitution has abundantly revealed the necessity for much give-and-take between the Legislature and the Executive if deadlocks are to be avoided. Indeed the somewhat halting operation, at least in certain directions, of the machinery set up by the Montagu-Chelmsford Reforms has served to stimulate a demand, by no means confined to the Left Wing, for further constitutional advance, which seems likely, after no long time, to become a dominant feature in Indian politics.

L. F. RUSHBROOK WILLIAMS.

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Except where otherwise mentioned a pound sterling is equivalent to fifteen rupees. To minimise confusion the rupee figures are also given in important statistics. Three crores (30 million) rupees may thus be taken as equivalent of £2 million sterling; and three lakhs (300,000) rupees are equal to £20,000.

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India in 1922-23.

CHAPTER I.

International Relations.

India and the Commonwealth.

Since the World War in 1914, the position of India within the British Commonwealth has undergone a profound change, due directly to the influence exerted upon her own domestic polity by nationalist ideals of a new type. Prior to the outbreak of that struggle, the aspirations of many educated Indians had been confined to securing the modification of certain specific features of the administrative machine which did not meet with their approval. But as a result first of the moral effect upon Imperial opinion of India's contribution to the victory and secondly, of the immense stimulus to democratic ideas resulting from the course of the conflict, the national movement in India rapidly assumed a form at once more definite and more far-reaching than it had previously known. In response to this new orientation, the policy of His Majesty's Government was carefully examined and clearly defined. The result was the momentous Declaration made in the House of Commons on August 20th, 1917, which laid down as the goal of British Rule in India, the progressive realization of Responsible Government of the kind enjoyed by the self-governing Dominions. The seal was shortly set upon the new policy both from the internal and from the external point of view. The Reforms which go by the name of Lord Chelmsford and Mr. Montagu provided a first step towards the attainment by India of Responsible Government. The association of India with other parts of the Empire in the successive Imperial Conferences; the signature of the Peace Treaty by representatives of the Indian Government; the admission of India as an original Member of the League of Nations; and the recent inclusion of India by the International Labour Office among the eight leading industrial nations of the world, represent a complementary, and perhaps more dramatic, advance in the world of external affairs.

East and West.

The change which has thus come over the position of India is of a magnitude and a complexity not generally realised. It will readily be perceived that there are in reality two aspects to be considered ; India's status as a unit in the Commonwealth ; and her relations with the other component elements therein. So far as the former aspect is concerned, the goal has been clearly defined, and the steps towards its attainment are plainly in sight. But in the case of the latter, the difficulties, as will be made clear in succeeding paragraphs, are still far from solution. The problem is perhaps among the most formidable which has ever confronted the British Commonwealth as a whole ; for upon its solution may well depend not merely the permanence of the connection between the Indian and the British peoples, but also in no small measure the future peace of the world. The impending struggle between East and West, foretold by many persons who cannot be classed either as visionaries or as fanatics, may easily be mitigated or even entirely averted, if the British Commonwealth of Nations can find a place within its wide compass for 320 millions of Asiatics fully enjoying the privileges, and adequately discharging the responsibilities, which at present characterise the inhabitants of Great Britain and the self-governing Dominions.

Indians abroad.

Vitally important as are these larger issues of the Indo-British connection, they must yield in immediate potentialities for good or evil to what may be termed the domestic side of the question. For upon the equitable solution of this problem must be held to depend not merely the continued connection in a remote future between India and the rest of the Empire, but also the permanence of that belief in British good-faith upon which the immediate peace and prosperity of India necessarily depends. It cannot be emphasised too often or too clearly that Indian opinion regards the satisfaction of its aspirations to Responsible Government at home, and the equitable treatment of Indian citizens in other parts of the Commonwealth, as but two closely related aspects of the same national demand. From many points of view indeed, it is by no means impossible that the external aspect is more important than the internal. Upon the question of her advance towards Responsible Government, some division exists in the ranks of educated India. There are those who believe that the present scheme of Reforms is but ill-adapted to the end it has in view ; there are those who assert that the scheme is right in principle, if inadequate in substance ; there are even those who maintain that the future

of India does not lie at all in the direction of Responsible Government as understood by the West. But upon the question of the treatment of Indians in other parts of the British Commonwealth, and the recognition of the claims of India's nationals to enjoy full equality of citizenship in every part of the Empire, there is complete and solid unanimity.

Indians in the Dominions and in the Colonies.

It must be frankly admitted that in the past, as to a large degree at the moment of writing, the treatment accorded to Indians in certain of the self-governing Dominions and in the Colonies is not such as befits the nationals of a country whose destiny has been solemnly recognised by His Majesty's Government to be Dominion status, and equal partnership in the Britannic Commonwealth. The principal points at issue on this matter between India and other parts of the Empire are in general, the right of franchise and the conditions under which Indians can emigrate and obtain and retain domicile; and in Africa, further, the right of Indians to hold land, to enjoy trading facilities, to escape from compulsory segregation. It should be clearly borne in mind that Indian opinion here recognises a distinction between the Colonies and the self-governing Dominions. So far as the latter are concerned, it is realised that the British Government has no direct control over their domestic affairs ; that the Dominions themselves are responsible for the treatment which they mete out to Indians. But in the case of the Colonies, Indian opinion holds Great Britain directly responsible for any legitimate grievances in respect of which Indians may complain. This distinction comes out most clearly in the matter of emigration. Let us take first the case of the Dominions. In the Imperial Conference of 1918, there was passed what is generally known as the Reciprocity Resolution. This Resolution affirmed the right of each community of the Commonwealth to control, by emigration restrictions, the composition of its own population ; but recommended that facilities should be given to Indians for visit and temporary residence ; that domiciled Indians should be permitted to import their wives and minor children and that the removal of the civic and social disabilities to which these Indians were subjected should be given early consideration. This position is accepted by reasonable Indian opinion, which has no desire to reopen the main question. Should the Dominions desire to exclude Indian immigrants, it is recognised that they have a right to do so ; but if there is any worth in the conception of Imperial citizenship, the exclusion must be based not upon racial and political grounds, but upon reasons of an economic or social character. There is thus no

question of a conflict between India's claims and such expressions of Dominion feeling as are embodied in what is rather unfortunately called "The White Australia Policy". On the other hand, Indian opinion is not prepared to accept the policy of exclusion in the case of territories under the direct administration of the Colonial Office. This is among the principal causes of the intense feeling which has been aroused during the last two years upon the question of Kenya. Here, and in the case of other parts of the Empire which do not possess Dominion Status, India claims a right of immigration, subject to such reasonable restrictions as may be arrived at in agreement between herself and His Majesty's Government. She does not admit, for example, that the European settlers in Kenya who are inferior in numbers to her own nationals, have the right to close the door against Indian settlers.

The Imperial Conferences.

Apart from the question of the admission of Indians to the Dominions and the Colonies, which Indian opinion divides in the manner outlined above into two separate aspects, there remains the further question of the treatment of Indians already settled in other parts of the Commonwealth by the Governments of the territories concerned. With the exception of New Zealand and Newfoundland, Indians resident in other parts of the British Empire have for long been subject to certain humiliating disabilities. Against these disabilities Indian opinion has lately protested with greater and greater vehemence; and in the year 1921, the Dominions representatives assembled in the Imperial Conference, with the unfortunate exception of the South African delegates, formulated a resolution which admitted the justice of Indian claims. The Conference, while re-affirming the principle that every community of the British Commonwealth should enjoy complete control of the composition of its own population, recognised that there was an incongruity between the position of India as an equal member of the British Empire and the existence of disabilities upon British Indians lawfully domiciled in some other parts of the Empire. The Conference therefore went on to express the opinion "That in the interests of the solidarity of the British Commonwealth it was desirable that the rights of such Indians should be recognised". At the same time, a further advance of great future potentialities was made, when it was suggested that from henceforth India should negotiate direct with South Africa in matters in which her nationals were concerned. The significance of these events whose importance is scarcely recognised in many quarters even to-day, is two-fold. In the first place they indicate that from the broadly Imperial standpoint the

principle of equality for which India has been contending is conceded, and all that remains is to put it to practical application. In the second place, the institution of direct negotiations between India and the self-governing Dominions constitutes a guarantee that the Indian case will be presented with all possible force and freedom.

South Africa.

In South Africa, where the number of Indian residents amounts to some 160,000, the position has for some time been from the standpoint of India very unsatisfactory. Early in 1920 a decision of the Transvaal Provincial Court had endangered certain rights, which it was hoped had been secured beyond dispute by an agreement arrived at in 1914 between General Smuts and Mr. Gandhi. The trouble, it should be explained, occurs principally in Transvaal, where Indians are politically helpless; and in Natal, where, although they possess the Municipal franchise, their position has lately been the object of serious attack. No difficulties arise in the Orange River Province, where Asiatic immigration is not allowed, or in the Cape Province where Cecil Rhodes' policy of "equal rights for every civilised man" prevails. As a result of anti-Indian agitation, the South African Government appointed, two years ago, a Commission to enquire into the question of Asiatics trading and holding land in the several provinces of South Africa. The Commission sat from March to July 1920, and its proceedings caused considerable excitement in India. The Government of India took pains to secure the adequate presentation of the Indian case by means of an experienced officer of their own, Sir Benjamin Robertson, who was placed on deputation for the purpose. When the Commission reported, it was seen that the representation of the Government of India, while failing to achieve all that had been hoped, had undoubtedly effected an alteration of the position in favour of the domiciled Indian community. The Commission recommended, it is true, the retention of a law prohibiting the ownership of land by Asiatics, but declined to recommend compulsory segregation. In respect of Natal unfortunately the Commission was of the opinion that there would be no great hardship in confining to the Coast Belt the right of Indians to acquire and own land. The Government of India, after considering the Report of the Commission earnestly protested against the withdrawal from Indians of the right to acquire lands in the Upland region of Natal. This protest has been successful, for it is understood that the Union Government have since that time definitely abandoned the proposal. On other issues also the Government of India presented the Indian case strongly to the Union Government.

It is to be regretted that in Natal two Ordinances were introduced shortly afterwards which seemed likely to endanger still further the position of Indians. These Ordinances were vetoed by His Excellency the Governor General of South Africa ; but, together with a third, were once more introduced during the period covered by the present Report. The Government of India have been active in correspondence with the Union Government regarding the various questions raised by the Asiatic Enquiry Commission ; and although no agreement in principle has yet been reached, they are still engaged in attempts to arrive at a better understanding. Time and justice are on India's side, and with patience and good will the Indian Government do not despair of a satisfactory solution. And in connection with the three Natal Ordinances previously mentioned, it is to be noticed that the Union Government, by withholding for the present their approval to two, and pressing for certain modifications in the application of the third, have once more given proof of their desire that careful enquiry should be made before any step is taken which is likely adversely to affect the position of Indians in any part of the South African Union. It is encouraging, moreover, to learn that after the end of the year the Natal Rural Dealers' Licensing Ordinance, which is being introduced for yet a third time, has now embodied certain amendments which go some way to meeting the objections previously entertained in India.

Indian Feeling Stirred.

The course of the negotiations with the South African Government, like all other aspects of the problem of Indian nationals overseas, has been followed with the most painful interest by educated India. In March 1922 an official deputation consisting of members of the Council of State, of the Legislative Assembly and of the Imperial Indian Citizenship Association of Bombay, together with delegates of the Transvaal British Indian Association and of the Natal Indian Congress, waited upon His Excellency Lord Reading. The deputation urged upon the Viceroy the grave importance of the questions connected with the position of Indians resident in South Africa. Considerable alarm was expressed lest the working of the scheme embodied in the Asiatic Enquiry Commission's Report for the voluntary repatriation of Indians might be utilised to drive Indians out of South Africa. The Government of India was requested to urge the Union Government to settle satisfactorily the Indian question once and for all. In his reply to this deputation Lord Reading demonstrated that his Government were fully alive to the importance of the whole matter. The Government of India, he said,

felt that, so long as Indians did not enjoy full parliamentary and municipal franchise throughout the Union, they could not dissociate themselves from responsibility for the welfare of a community whose very existence originated in an organised system of recruitment to which they themselves had been in the past a consenting party. Public opinion throughout the Empire, he said, was moving in the desired direction, and the Government of India were doing everything in their power to secure a satisfactory settlement. Deep-rooted prejudice and long misunderstandings could not of course be swept away in a day, but His Excellency assured the deputation that the points raised in their address would be borne in mind and that His Government would not fail in their attitude of constant watchfulness and in their policy of urging the justice of Indian claims.

Attitude of the Government.

"I note with pleasure" he added, "your statement that the domiciled Indian community in South Africa desire to progress in education and are determined to prove themselves in all respects as deserving as the Europeans of the full rights and responsibilities of citizenship. This, I am confident, is a true avenue of advance. The British citizen, in whatever part of the world he may be, has a strong sense of fairplay; and I feel sure that when he finds his Indian fellow citizens in the Union steadfastly proving themselves by their conduct useful and loyal members of the body politic he will not persist in withholding from them the status which they justly claim. I am glad that you recognise that it is to the Union Government that Indians must look for the redress of their grievances. While we are determined to do whatever lies in our power to forward the reasonable aspirations of Indians domiciled in the self-governing Dominions, and to press constantly and consistently for the recognition and application of the broad principles of equal citizenship for which we contend, we are sure that you will agree that we must respect the principle of non-interference in the domestic affairs of the self-governing Dominions, and that any interference which might seem to infringe this principle would not be conducive to the good of the Indian community."

Mr. Sastri's Mission.

It is gratifying to notice that in other self-governing Dominions the period reviewed in this Statement has been marked by considerable advance in the desired direction. At the meeting of the Prime Ministers and Representatives of the United Kingdom, the Dominions and India which was held in London in the summer of 1921, it was informally suggested that a

deputation from India should visit Canada, New Zealand and Australia as soon as possible after the termination of the Imperial Conference in order to assist the Governments of the Dominions concerned to give effect to the Resolution recognizing the rights of Indians lawfully domiciled in other parts of the Empire. The Dominion Governments officially endorsed this proposal and a deputation, which consisted of the Rt. Hon. Srinivasa Sastri accompanied by Mr. G. S. Bajpai, as Private Secretary, left India in May 1922 for Australia, New Zealand and Canada. In addition to his primary task of inducing the Dominions to give practical effect to the aforementioned Resolution of the Imperial Conference, Mr. Sastri was generally instructed to look into any other disabilities of Indians resident in the three Dominions and to request the authorities concerned to remove them. In Australia, there are certain small disabilities, in their sum total inconsiderable, which Indians share with other Asiatics. In regard to political status, an Indian cannot be an elector for the Senate or the House of Representatives unless he is entitled under the Law of his State to vote in elections for the more numerous House of the Parliament of that State. In Queensland, Indians are disqualified from membership of the Legislative Council and the Legislative Assembly and from voting at Assembly elections ; while in Western Australia Indians may not be registered as electors for the Assembly in respect of a free-hold qualification. In regard to property there are certain other disabilities. All Indians like other Asiatics, are disqualified from obtaining leases of land in certain irrigated and reclaimed areas. In regard to employment and occupation they labour under some disadvantages. Bounties paid under the various Bounties Acts can be enjoyed only by goods grown or produced by white labour, while in Queensland certain Acts dealing with dairy produce, with sugar refinement and cultivation and with banana industries prohibit the employment of persons who have not passed an educational test which in practice excludes Asiatics. In Western Australia moreover mining rights may not be issued to Asiatics or Africans, though British subjects, without the Ministers' approval. Indians are further disqualified throughout the Commonwealth for receiving invalid and old-age pensions, while they also encounter some difficulty in the administration of passport regulations, especially in regard to the admission of substitutes for resident Indians wishing to return temporarily to India. It was to the removal of these grievances that Mr. Sastri addressed himself. His brilliant advocacy of the cause of his countrymen domiciled in Australia met with a

friendly reception from the various Commonwealth and State authorities. As regards the franchise, the Governments of the Commonwealth and of Western Australia have promised sympathetic consideration; while the state of Queensland, the only other state in which the right is not possessed by Indians, awaits the lead of the Commonwealth Government. It will be recognised of course that the Ministers of a responsible Government are unable to act in advance of public opinion, since they have to sound and educate the electorate before they can safely commit themselves to legislation; but certain very tangible indications of good-will are provided by the fact that the Queensland Government have approved regulations exempting Indian British subjects from the disqualification of the Banana Industry Preservation Act; while in South Australia the Government have decided to remove the only disability from which Indians suffer in that Colony by amending their Irrigation and Reclaimed Lands Act. The Commonwealth Government have given an assurance that steps will be taken at an early date to enable Indians in Australia to participate in the benefits of old-age pensions equally with other citizens of the Commonwealth. In the matter of Passport Regulations, no action appeared to Mr. Sastri to be called for except a closer scrutiny of passports issued by the local Governments in India to persons proceeding to Australia, to make sure that the Australian regulations are properly complied with. In New Zealand, the conditions under which domiciled Indians live are as satisfactory as anywhere in the Empire. They enjoy the franchise in common with all British subjects, and are only excluded from the benefits of the old-age pensions. So far as this disability is concerned, the New Zealand Government has promised to give sympathetic consideration to Indian representations when the Act comes up for revision. But since it is unlikely that any Indian will fulfil the conditions regarding the age required by the Act for some years to come, no great hardship should result from the matter being allowed to stand over for the present. The representations made by Mr. Sastri regarding the New Zealand Immigration Restriction (Amendment) Act of 1920 resulted in the stipulation as to the number of permits or passports to be issued yearly by the Government of India being withdrawn; while the Government of New Zealand has agreed that such permits will in every necessary case be extended in order to enable the visitor to complete the purpose of his visit. The Government of New Zealand has further agreed to amend the

Its Results.

Australia.

New Zealand.

Regulations providing that Indians lawfully resident in New Zealand can leave the country only for four years without loss of domicile, if it is found that the time fixed can be safely extended with due regard to the prevention of fraudulent use of the old certificate. In Canada Mr. Sastri's mission addressed itself to three tasks, first to secure the federal franchise for such Indians as do not already enjoy it; secondly to obtain the provincial and municipal franchise for Indians resident in British Columbia, which is the only province which withholds these rights; and lastly to enquire into such other grievances as might exist. As a result of Mr. Sastri's representations, the Prime Minister of Canada gave an assurance that at the earliest favourable moment his Government would invite the consideration of Parliament to the request that natives of India resident in Canada should be granted Dominion Parliamentary franchise on terms and conditions identical with those which govern the exercise of that right by Canadian citizens generally. Since the present Electoral Act should come up for revision in the near future, and since Mr. Sastri estimates that the attitude of politicians and the public generally will be favourable to the desired measure, primarily on its merits and secondly on account of its beneficial influence on the relations between India and Canada, it is hoped that this question may receive early solution. Regarding the provincial and municipal franchise in British Columbia, Mr. Sastri found that difficulties existed on account of the economic rivalry between the white and the non-white races; in which, while Indians do not share to any appreciable extent, popular prejudice is deeply involved. While immediate results cannot be expected, the ultimate success of continued endeavours is probably beyond doubt. The other difficulties experienced by resident Indians arise mainly out of applications for the substitution of children of relatives whom resident Indians wish to send to school in Canada. Sympathetic consideration has been promised by the authorities for Indian grievances under these heads, and the Government of Canada has professed its readiness to administer the rule regarding the entry of wives and children of resident Indians under the Reciprocity Agreement of 1918 with sympathy and fidelity.

Canada.

That Mr. Sastri's mission has been accompanied by direct and indirect results highly beneficial to India and to the Empire needs no proof. His eloquence and his personality have made a deep impression in the Dominions, thus securing a friendly reception for the representations which he has submitted on behalf of the Government of India. The warm welcome accorded to him should be a matter of pride and grati-

tude to every citizen of his own country ; while the constitutional importance to India of negotiating directly with the Dominions on matters of mutual interest through an accredited representative is too evident to need elaboration.

But while the prospect of ameliorated conditions for Indians resident in all the Dominions save South Africa has shown distinct signs of improvement during the year under review, it must be regretted that elsewhere, the position has manifested few changes of any advantage to India. It will be convenient at this point, before treating of the grievances of Indians in certain of the Colonies, to outline their position in regard to mandated territories.

Indians and Mandated Territories.

The former German Colonies of New Guinea, Western Samoa and South-West Africa are now administered by the Commonwealth of Australia, the Dominion of New Zealand and the Union of South Africa respectively under mandates which have been conferred upon them by the League of Nations. Article 82 of the Covenant of the League empowers the mandatory to administer these areas as integral portions of its territory under its own laws. These Dominions have extended their emigration laws to each of these territories with the result that Indians can no longer go there for purposes of permanent settlement. In the case of New Guinea and Samoa the position has thus altered for the worse, since the German administration did not discriminate against British Indian subjects. In South-West Africa the German administrator had the power to exclude any class of immigrant, but no instance is known of the power having been exercised against an Indian. Some resentment is naturally felt in this country at the attempt of the Dominions to extend to these territories a policy of exclusion which, in the case of their own territories, India has only accepted as an inevitable concession to their political autonomy, and their socio-economic ideals. No such restrictions apply in the case of Nauru, of which the British Empire is mandatory. Indian opinion fears that the Dominions are trying to exploit their own mandates in a manner which the framers of the Covenant never contemplated. The promotion of the interests of the indigenous population does not seem to be incompatible with economic equality for the nationals of all members of the League. At any rate India is not prepared to concede that the mandatory is the sole judge of how this supreme trust of civilization can best be discharged. The question is not merely of theoretical importance to India. New Guinea and Samoa

are both situated in the equatorial belt, and suited to Indian colonisation although there is little likelihood of any Indians going there at present. Indians are barred from the tropical parts of Australia and New Zealand, owing to the determination of these communities to admit no extraneous racial elements. The same attitude in regard to mandated territories which are not part of the British Empire, and to the composition of whose population the same ideals are not applicable, can never be accepted by Indian opinion. India is a member of the League and to that extent one of the trustees for these peoples. She played a magnificent part in the war and contributed to the common victory. She cannot acquiesce in any arrangement which discriminates against her nationals on the unconvincing ground that discrimination is necessary to promote native interests. The immigration into these mandated tracts of unskilled labour from India is barred: but India does not admit that the immigration of skilled labour from her shores is likely to compete more severely with the native inhabitants, or to do them more harm, than the immigration of white settlers. These sparsely populated tracts must have colonists and in that colonization India is entitled to have her share. It is to be hoped that the Dominions concerned will recognise the justice of her contention. To any reasonable measure of protection of native interest, which is strictly impartial in its scope, India will never object. Against invidious measures she feels she must protest.

Turning now to the position of Indians in the Colonies, we must notice that the situation in Kenya has long been from the standpoint of India, most unsatisfactory. This is the more unfortunate in that, as already explained, Kenya is regarded by many influential sections of Indian opinion as an acid test both of British good-faith and of the possibility of securing satisfaction for India's national aspirations within the boundaries of the British Commonwealth. That Colony owes much to Indian labour and Indian capital; Indian settlers have played a very large part in its development; they were in many directions the pioneers upon whose past efforts its present condition depends; moreover they out-number the European population. In this connection, we may notice that at the beginning of the period under review, the following passage from Mr. Winston Churchill's "East African Journey" was quoted with great effect by Mr. N. M. Samarth, a Bombay representative, in the course of a debate in the Legislative Assembly upon the question of equality of citizenship for Indians overseas:

Kenya.

"It was the Sikh soldier who bore an honourable part in the conquest and pacification of these East African countries. It is the Indian trader who, penetrating and maintaining himself in all sorts of places to which no white man would go or in which no white man could earn a living, has more than any one else developed the early beginnings of trade and opened up the first slender means of communications. It was by Indian labour that the one vital railway on which everything else depends was constructed. It is the Indian banker who supplies perhaps the larger part of the capital yet available for business and enterprise, and to whom the white settlers have not hesitated to repair for financial aid. The Indian was here (that is, in Kenya) long before the first British official. He may point to as many generations of useful industry on the coast and inland as the white settlers—especially the most recently arrived contingents from South Africa (the loudest against him of all) can count years of residence. Is it possible for any Government with a scrap of respect for honest dealing between man and man, to embark upon a policy of deliberately squeezing out the native of India from regions in which he has established himself under every security of public faith?"

Nevertheless, the Indians are labouring under certain notable disabilities, some of them sentimental—though none the less serious on that score—others very practical. In the first category may perhaps be placed the existing prohibition against the transfer to Indians of agricultural lands in the highlands of the Colony. As these lands are at present entirely held by Europeans, the question of their ownership by Indians may be regarded, save from the point of view of national sentiment, as of importance rather in the future than in the present. It should however be remembered that the highland region stretches across the road to Uganda, with its cotton-fields where Indian interests are already considerable: and on this ground alone it is difficult for Indians to acquiesce in their own exclusion from this tract. But unfortunately race feeling between the Indian and the European settlers has risen to such a height that Indian opinion fears lest compulsory segregation, the denial of franchise to Indians, and the prohibition of Indian immigration may be forced upon Kenya by the intolerance of the European minority. In 1921, Indian opinion had been relieved to learn that the then Secretary of State for the Colonies, the Right Honourable Winston Churchill, had expressly accepted the recognition of the Imperial Conference that there is an incongruity between the position of India as an equal member of the Empire and the existence of disabilities upon

British Indians lawfully domiciled in some other parts of the Empire, and that in the interest of solidarity of the Commonwealth it was desirable that the right of such Indian citizens should be recognised. Mr. Winston Churchill did indeed state that the principle, although embodying the only ideal which the British Empire should set before itself, had to be very carefully and gradually applied; but, he continued, he hoped to find means of overcoming difficulties in its application. Most unfortunately, however, the period we are now reviewing has contributed but little to the solution of India's troubles in Kenya. Since the close of the period under review, the Colonial Office have invited the Governor of Kenya, accompanied by delegations representing both the European and Indian communities in the Colony, to proceed to London for the purpose of discussing the terms of a final settlement. The Chambers of the Indian Legislature have sent a deputation to England consisting of two members of the Assembly and one member of the Council of State to cooperate with the Kenya Indians and to use their influence in their support. The Government of India have from the first put themselves at the head of Indian opinion in claiming what they regard as elementary rights for the nationals of India there settled; but the whole country is watching the situation with the most anxious and earnest attention. This attention is in no way diminished by the conjectures put forward in certain quarters regarding the political future of the East African region. There are many who believe they discern signs of a tendency towards ultimate union in one great self-governing Dominion of Rhodesia, Tanganyika, Nyassaland, Uganda and Kenya. The mere possibility of such a development seems to make it essential that the Indians throughout East Africa should make good their present foothold, and acquire a recognised status which may secure them against invidious treatment and enable them to play their due part in the future of the land they have adopted as their dwelling place.

Uganda.

The position of Indians in Uganda and Tanganyika although more satisfactory than their condition in Kenya has also been the cause of some anxiety. In 1921, there was reason to fear that the disabilities under which Indians labour in Kenya would be extended to Uganda, despite the very material difference which exists in the circumstances of the two colonies. The Government of India entered a strong protest against such a policy, as a result of which the one burning question, that of segregation, was deferred pending a general settlement of the questions affecting Indians throughout East Africa. In the summer of 1922, news was

received from Uganda that it had been decided to give effect to the scheme for assigning to Asiatics in the Township of Kampala a residential site separate from those assigned to Europeans. The Government of India again made representations, but the Colonial Office were unable to agree to the suspension of the Kampala scheme, owing to the serious inconvenience which would have followed from holding up European leases. But the sanction of His Majesty's Government to the scheme is fortunately subject to any alteration of policy that may be decided upon in the future. The particular question of Kampala is not perhaps very serious, but it would be idle to deny that a feeling of some anxiety was occasioned in India by the inauguration of a precedent capable of being turned to the disadvantage of Indians resident in Uganda.

Tanganyika.

The Territory of Tanganyika, which is administered by His Majesty's Government under a mandate from the League of Nations, presents fewer difficulties. In the course of 1921, assurances had been received from Lord Milner that Indian settlers in the territory would be treated on a footing of complete equality with other settlers, and that no discrimination would be made in their disfavour. Large numbers of Indians took the fullest advantage of the facilities afforded for purchasing ex-enemy property in various parts of the Territory. It is, however, unfortunate that three ordinances introduced by the Tanganyika administration for fiscal purposes just after the conclusion of this year, contain provisions which have aroused great resentment among the Indians resident in the territory and have caused an extensive *hartal* which persisted up to the middle of April. The Government of India, during the year under review, made representations to the Colonial Office regarding certain restrictions on first-class railway travelling by Indians which had been temporarily enforced, but were subsequently withdrawn.

Emigration.

Among the many consequences of India's desire for progress towards Dominion status may be mentioned the increasing sensitiveness of Indian opinion upon the question of the emigration of labour, either unskilled or otherwise. The assisted emigration of unskilled workers from India has for some years been forbidden save in the case of Ceylon, the Straits Settlements and the Federated Malay States; but the representatives of educated India have become convinced that the whole question of emigration from India to other parts of the British Empire requires careful investigation and control. During 1922, this feeling was responsible for

securing the embodiment of the policy of the Government of India in a new Emigration Act, providing that assisted emigration for the purpose of unskilled work shall be unlawful, except to such countries and on such terms and conditions as the Governor General in Council may specify. The Act further prevents the issue of any such notification until it has been laid in draft before both Chambers of the Legislature, and has been approved by resolution in each Chamber either as it stands or with modifications. The Indian Legislature has thus been given practically full power over the organised emigration of unskilled labour, which can now be regulated and controlled by the popular representatives. A Standing Emigration Committee, composed of 13 prominent members of the Council of State and the Legislative Assembly, has been appointed to advise the Government of India on all major emigration questions, and more particularly with regard to the terms and conditions on which the emigration of unskilled labour should be allowed. The Committee have already defined the terms and conditions which they consider appropriate to Ceylon, the Straits Settlements and the Federated Malay States, to which territories the provision of the new Act became applicable in March 1923. It cannot be doubted that the effect of associating Indian public opinion with the Government of India in exploring and redressing the grievances of Indian emigrants is destined to lead to a material improvement in the conditions in which unskilled Indian labourers live and work in other parts of the Empire. An example of this is to be found in the improvement which has recently taken place in the conditions of labour in Ceylon. The Ceylon Government, as a result of negotiations with the Government of India, have repealed the penal provisions of their labour law, and have faced the very grave question of indebtedness among the labourers. Other salutary changes in the system previously existing refer to recruitment methods, the limitation of contracts, repatriation, and an examination into the possibility of a minimum wage. At the same time, there is noticeable on the part of the Assembly a tendency to pitch very high the terms upon which Indian labour may be admitted to certain colonies. On the face of it, this is no bad thing: and the knowledge that the consent of an elected legislature is vital to such emigration is bound to exercise a liberalising influence upon the labour regulations of those colonies which need Indian settlers. It would, however, be regrettable if this tendency

Powers of the Indian Legislature.

Their Employment.

were carried to the point—which it seems almost to have reached in one instance—where the interests of Indians already resident, who fear the competition of fresh arrivals and a consequent reduction of wages, would operate to the damage of intending settlers. Quite apart from the fact that the countenancing of such economic exclusiveness would "give away" the whole of India's main case against the non-admittance of her nationals into Colonial territories, it is plainly to the advantage of India that the open doors of the Empire should be utilised as widely as possible by the more enterprising of her sons; while it is to the advantage of the Empire that an additional unifying factor should be provided by the presence of Indians in various parts of the wide-flung Commonwealth. In the course of the period under review, it is interesting to notice, deputations came both from Ceylon and Malaya to discuss in detail the proposals which had been placed before their respective Governments as a condition of continued emigration from India. The Government of Mauritius is similarly anxious that Indian emigration to the Island should be reopened, and a deputation arrived early in the present year to discuss the terms and conditions which have been suggested by the Standing Emigration Committee. Like Ceylon, the Governments of Malaya and Mauritius have already adopted legislation abolishing imprisonment as a penalty for labour offences. As a practical example of the interest which is taken by the Indian Government and Legislature in the fortunes of Indian nationals overseas, may be mentioned the fact that last year two deputations left India for Fiji and British Guiana to examine local conditions with a view to ascertaining whether these Colonies offered suitable lands for colonization by Indian emigrants. Both deputations have now returned to India and their reports are under the consideration of Government. So far as the former Colony is concerned, there seems reason for fearing that on account of the slump in the sugar industry, Indians in Fiji are no longer able to earn a living wage. The Government of India are pressing for suitable arrangements to facilitate the repatriation of those Indians who are entitled to return to India at the expense of the Colony, and wish to avail themselves of this right.

Indians Overseas and Public opinion.

From what has been said in the preceding paragraphs it will be realised that the problem of Indians overseas now ranks among the most vital of the questions with which Indian opinion is concerned. That any long continued refusal of what India regards as justice to her sons in other parts of the Empire will produce a regrettable reaction upon

Imperial solidarity needs but little proof. It should be remarked in this connection, as an index of the depth to which Indian feeling is stirred, that the reception of news of a character regarded as adverse to the fortunes of Indians in other parts of the Empire is invariably attended by motions for adjournment if the Legislature is sitting, and by numerous and influential public meetings. Such non-official bodies as the Imperial Indian Citizenship Association, which is located in Bombay, conduct an active and well-reasoned propaganda with the object of educating their own countrymen in the position of Indians abroad; and that certain parts of the country are now fully alive to the importance of the whole question may be gathered from the fact that in November 1922, the Bombay Municipal Corporation, which is one of the most powerful and most wealthy public bodies in India, adopted, with only two dissentients, a Resolution to the effect that in view of the humiliating treatment of His Majesty's Indian subjects by the Governments of certain Dominions and Crown Colonies, the Bombay Municipal Corporation would place no insurance with Companies registered in these Dominions or Colonies; would invest no funds in banks there registered, and would employ no persons born in those localities in the capacity as Agent, Contractor or servant. It is impossible to dismiss action of this kind as being merely a petulant protest. As to its advisability, opinions will doubtless differ; but no one who is closely in touch with Indian opinion will be prepared to deny that it indicates an attitude of mind which is likely to be aggravated rather than relieved in the near future until such time as the sentiments on which it is based are adequately respected.

Intimately connected with the whole question of the relations between India and the British Empire are the problems of India's own defence. Vulnerable as she is both by sea and by land, her interests as well as her present sentiments dictate her continuance within the boundaries of a Commonwealth which, when the necessary adjustments have been made, will provide at once scope for her progress along Dominion lines and a strength in unity against which external foes may beat in vain.

Since the rise of modern sea-power India's long coast line, rare harbours and rich sea-borne trade, have combined to make adequate naval protection a postulate of her national existence. Should her surrounding seas fall under the dominance of her foes, she can never sleep secure from invasion; should her ocean-ways be shut against her traffic with the world, she can never advance along the road to pros-

perity. Her connection with the British Commonwealth has hitherto assured her in respect of both these dangers. During the War it was the fleet of Great Britain which preserved her coasts wellnigh inviolate; but the exploits of the "Emden," fruitless as they were, serve to point a moral by indicating the possibilities which India offers to successful attack from the sea. The problem of India's maritime defence may be expected to loom larger with the passing of years. It is indeed very improbable, so long as her connection with Britain persists, and so long as the naval power of the Empire remains adequate for the discharge of its responsibilities, that India will have to reckon with invasion from the sea or with major naval action near her coasts. But minor raids upon her shores and spasmodic attacks upon her sea-borne traffic she may well have to bear at some future date. Meanwhile in this matter as elsewhere, her advance towards the goal of Dominion status entails concurrent and increasing responsibilities. At present India maintains the transport and survey service known as the Royal Indian Marine, and contributes the sum of £100,000 yearly towards the up-keep of the East Indies Squadron of the British Navy; but it is uncertain whether this arrangement can be permanent. From the standpoint of her own national aspirations, India must in the future bear a greater share of her peculiar burden. The naval defence of the individual components of the British commonwealth cannot now be left to Great Britain alone, and the plans for general naval security entail a due degree of contribution from each. And while the duty of India is primarily to herself in securing the protection of her sea communications, of her ports and of her coasts, its performance will automatically constitute a contribution to the safety of the whole Empire. The question of the eventual development of an Indian Navy is thus one which is fast becoming a question of practical politics. Progress in this direction must necessarily be gradual, first on the score of financial stringency, and secondly on the ground that India is not as yet in a position to furnish a fleet unit fully manned by Indian officers and men. But the national aspirations of the country, as voiced in her Legislature, are tending steadily towards the formulation of a future for India upon the Seas. Demands have already been put forward for the establishment of a Nautical College and training ships; for the admission of Indians to the superior ranks of the Royal Indian Marine—which at present is not a combatant service—and for the encouragement of India's national commerce. The country

India's Naval Defence.

An Indian Navy.

had in ancient time a definite tradition of sea-power, which found practical expression in extensive settlement and colonization overseas; while as recently as the Great War the gallantry of Indian seamen showed that at least the material from which a naval personnel can in course of time be evolved should be forthcoming without undue difficulty.

India's Defence by Land.

While the defence of India by sea represents a problem of comparatively recent origin, her defence from the landward side has throughout the whole course of her history been fraught with difficulty and danger. For a country indeed which possesses so extensive a land frontier, India is comparatively well sheltered. But there are gaping joints in her armour. On the north the invulnerable barrier of the Himalayas protects her from invasion; and only by the Chumbi Valley pass is there easy access between India and her great neighbour Tibet. The general condition of this country remains rather mediæval than modern: and neither from Tibet itself nor from the region beyond it does an invasion of India at present seem a practical possibility. Quite apart from which the relations between India and Tibet are markedly friendly: a telegraph line from Gyantse to Lhassa was opened for traffic in the summer of 1922: and towards the end of the year General Pereira travelled overland from China to India, *viâ* Lhassa, where he was most hospitably received.

North-Eastern Frontier.

To the North-east, while there are some practicable passes upon the frontier of Assam, the difficulty of the country seems here also to militate against the possibility of serious invasion. The frontier of Burma, however, marches some thousand miles with that of China and is not entirely deficient in communications fit for bodies of civilised troops. Indeed, during the course of the year under review, the peace of this section of the Frontier was threatened by persistent rumours of impending incursion from the borders of Mongmao and Chefang. A band of some 200 men, acting under the ægis of one of the most important of several exiled Burmese Princes, attacked the village of Muse in the North-Hsenwi Shan State. A concentration of several detachments of Military Police both from the posts in the Bhamo district and from the Northern Shan States was rapidly effected, and the raiders were driven off within four days of their first attack with a loss of nearly half their number.

But although the present unsettled condition of China makes the North-East frontier a possible object of isolated raids by small bands of marauders, it is upon the North-west Frontier that the eyes of India are now, as in times past, principally turned. Here lie the great gates through which the tide of invasion has ebbed and flowed. From the region beyond have come those frequent and fatal incursions of warlike peoples which time after time in India's history have shattered into fragments her successive attempts to create a national unity. At the present moment, when new ideals of nationhood are so precious to the educated classes in all parts of India, the necessity of peaceful development undisturbed by invasion from the North-West is perhaps more acutely recognised than at any previous time. For if India, as a result of the peace and order of British rule is changing rapidly, and accomplishing in mere decades a progress which for many centuries in the past has been thwarted again and again by the impact of successive invasion, Central Asia, that great home of predatory peoples, can boast now as in former days of many racial elements who are casting covetous eyes upon the fertile plains and rich bazaars of Hindustan, and only wait their opportunity.

North-West Frontier.

Unfortunately the present political position to the West and North-West of India holds out no certainty that this country will be assured in the future of neighbours upon whose friendly conduct she can always rely. A brief sketch of the Central Asian situation will serve to make this statement clear. Even before the commencement of the Great War there were signs of a tendency in the Middle East towards the union of Mussulman peoples of great military potentialities in an endeavour to redeem the power and prestige of Islam in a world where Western civilization seemed for the moment all-dominant. This movement was largely accelerated as a result of the Great War. The fact that the Islamic world was divided in its allegiance between the Allies and the Central Powers combined with the delay and uncertainty in the settlement of the Peace Terms between Turkey and the Allies, produced a rapidly increasing restlessness. Had the conditions of the time been normal, there is little doubt that peace might quickly have been restored throughout the Middle East; and the reviving sentiment of Islamic unity might before long have found for itself an adequate place in the sunshine of the modern world. Unfortunately, however, the development of this uneasiness throughout the Middle East and Central Asia coincided with the commencement of the sinister machina-

Central Asia and the Islamic Renaissance.

tions of Bolshevism. The revolutionary Government of Soviet Russia with its avowed aim of setting the East ablaze, has for the last four years done its best to exploit for its own ends the Islamic renaissance.

In previous reports mention has been made of the difficulties to which the Bolsheviks found themselves exposed by the fact that many portions of the old Tsarist Empire fell away from Russia after the revolution of 1917, and constituted themselves into separate States. In the course of the next four years, the first care of the Soviet Government was to overthrow the freshly formed political units of Daghistan, Azerbaijan, Armenia and Georgia; and to regain control of Russian Turkistan by crushing the Khan of Khiva and the Amir of Bokhara. These States were granted nominal autonomy, becoming soviet republics within the Russian Federation. But their autonomy remained the merest shadow, and the miserable inhabitants were reduced to subjugation beneath the iron heel of a brutal terrorism. The tyrannical and oppressive methods of the earlier Bolshevik officials caused a series of rebellions in Trans-Caucasia and Turkistan. These rebellions were ruthlessly crushed, but not before they had given much trouble to the masters of Soviet Russia. It became obvious to the Moscow autocrats that the attempt to dragoon Central Asia into blind obedience was likely to fail. The Bolsheviks thereupon devoted their attention to exploiting and prostituting, in pursuit of their designs against the peace of the world, the movement towards Islamic union which has already been briefly mentioned. They endeavoured to show that the obvious and fundamental discrepancies between the tenets of Bolshevism and of Islam were purely imaginary; that Russia despite her past record and her present tyranny was now bearing to Central Asia the olive branch of peace and the banner of freedom. But these efforts met with small success. The Mussulman peoples of Central Asia were not slow to realise the essential incompatibility between Bolshevism and Islam and the flagrant discrepancy between Bolshevik theory and Bolshevik practice. Any such alliance as that at which the Bolsheviks aim is indeed wholly unnatural, for while they themselves frankly desire to control the Middle East in order to make it the nucleus of a movement for world revolution, which would sweep away, along with all other landmarks, the institutions of Islam, those who are labouring for the Islamic renaissance naturally include within their programme the interests of millions of Mussalmans now under the stern and inflexible domination of Russia.

Soviet Exploitation.

That this strange alliance has not broken up earlier must be ascribed to the disturbed political situation of the world. Having failed to convince the Mussalman population within her reach of the identity of Bolshevism and Islam, Russia has fallen back upon the frankly opportunist policy of endeavouring to use for her own ends the nationalist and cultural aspirations which she is powerless to modify. But already there are significant signs of an approaching rupture. For some time a movement of rebellion against the Bolsheviks has been smouldering in Eastern Bokhara and in the neighbouring province of Ferghana. In the course of 1922 Enver Pasha, late Minister of War in Turkey, having seen for himself the falsity of Bolshevik pretension, renounced allegiance to Moscow, put himself into touch with the rebels and finally assumed the leadership of the insurrectionary movement. His presence provided a sudden access of strength and unity which was seriously embarrassing to the Russians. He saw that the tribesmen if left to their own unaided efforts, were bound to fail, and therefore made strenuous attempts to enlist Afghan co-operation. But the Afghans, though sympathetic, issued a declaration of non-intervention in Bokharan affairs. At the same time Russia made her first serious demonstration of strength and the movement was speedily crushed. Enver met his death on the 5th August, fighting bravely in a cause which he must have known to be hopeless. Russian domination over Bokhara is now once more firmly established, though the profession of Bolshevist economic principles has in great measure been abandoned. Since then, with Tashkend as their advanced base, the Bolsheviks have launched yet another intensive campaign of propaganda against India and the frontier tribes which, formidable enough as it is, would have been far more serious but for the action of the Amir of Afghanistan in removing Indian revolutionaries from his dominions. The Bolsheviks appear to be also casting covetous eyes on Chinese Turkistan to which they have despatched a series of Missions, so far without result.

Reaction against Russian tyranny.

Enver Pasha.

The unpopularity of Russia with the Mussalman peoples of Central Asia, as typified by Enver's revolt and the constant turbulence of kingdoms whose autonomy was ruthlessly repressed, has doubtless been a source of considerable discouragement to the Moscow statesmen who have hoped to fan the flame of revolution by their intrigues in this locality. But it is plain that Russia has not abandoned her original designs, and that she still cherishes the hope of indefinitely delaying the recovery

of the world from the disorders of the late war. The defiant utterances of Lenin and Kameneff during 1922 show that England is still regarded as the greatest enemy in the world of the Red International. And it is in India that the Bolsheviks believe they see the Achilles' heel of the British Commonwealth. Towards the end of the period under review there was published in Germany, by an Indian revolutionary who enjoys the support of the Third International, a militant programme of action for the fomenting of revolution in India, the erection of a Soviet Government in the country and the rupture of the ties between India and Great Britain. It is of course easy to make light of such schemes as this and to contrast the chaotic condition of Russia herself with her ambitious ideas of dominance in Asia. At the same time, it would be idle to deny that the Bolsheviks, aided by the present political uncertainty, have been to some degree successful in deferring the consummation of peace in the Near East. This has been particularly noticeable during the last two years.

Russia and the British Empire.

Enver's ill-starred adventure was but little known and made small stir in India. It deserves mention therefore rather for the effects that it might have had, than for any other reason. But the same cannot be said of Enver's opponent and successor as the man of destiny in Turkey, Mustapha Kemal Pasha. This remarkable leader had distinguished himself as a military commander during the war, and foreseeing the victory of the Allied Powers had as early as 1917 advocated the conclusion of a separate peace. Until May 1919, when a Greek force disembarked at Smyrna, he had remained at Constantinople, more or less obedient to the Turkish Government there established. This event decided him to go into Anatolia and organise a national resistance against the Greeks. His success was rapid and astonishing. The presence of hereditary enemies in Anatolia infused into the disordered remnants of the Turkish Army a real spirit of nationalism which made them once more militarily formidable. Mustapha Kemal's success, first in avoiding defeat, and later in routing the Greek forces enabled him both to rally the local elements of national resistance and also stand forth in the eyes of the Muslims of India and Central Asia as a champion of Islam, fighting a religious war. In January 1920 the Assembly which he had created at Angora, as the instrument of government of the Turkish people, signed the famous National Pact. In August of 1920 the Allied Powers presented for signature the Treaty

Mustapha Kemal Pasha.

of Sèvres ; but the draft, though accepted at Constantinople, was rejected by the Nationalist Government at Angora. That Treaty has, therefore, remained unratified, and technically the Allied Powers are still at war with Turkey, though they have no vital interest in a struggle which has completely changed its character since 1918.

Throughout 1919 the Allies were endeavouring to establish a neutral zone between the Greek and Turkish armies until peace should be signed. This led in the earlier stages of the Greco-Turkish war, when the Greeks were the stronger, to constant interference with the Greek Commanders, but in the summer of 1920 the Greek armies advanced and without serious difficulty drove the Nationalist forces in Anatolia before them. In their extremity the Nationalist Turks turned for assistance to Russia and indeed to every other possible quarter, including Afghanistan. They got little save moral support and two treaties ; of which the first, that with Russia, reveals nothing more clearly than the deep mistrust which either party had for the other ; and the second, that with Afghanistan, remained unratified for nearly three years.

Turkey and Russia.

The Bolsheviks did not fail to take advantage of their position to introduce their peculiar doctrines and subversive propaganda. But Mustapha Kemal and the strong party which supports him in the Assembly have never cherished any illusions regarding the interested intentions of Russia. They steadily opposed all attempts at domination on the part of their ancient enemy and temporary but most uncomfortable ally. While welcoming supplies of munitions, they rigorously excluded propaganda. Materially re-inforced, they evaded a final defeat at the hands of the Greeks, whose disappointment at this turn of events led to the fall of Venizelos and the return of King Constantine, a change which adversely affected British and French opinion. Many changes in the Commands and staff of the Greek Army followed the accession to power of the Royalist party in Greece, which further reduced the military value of the Greek Army.

In May 1921, the Allied Governments officially proclaimed their neutrality, and in June of the same year the British Government invited both belligerents to accept mediation. The Greeks refused and once more embarked on an attack in which they advanced as far as Afiun-Kara-Hissar but were unable to maintain thmeselves beyond the river Sakaria. After heavy fighting they were driven back to their original lines just east of Eski Shahr, and military affairs seemed thus to have reached a position of stalemate. The Greeks were weary and dis-

The Near-Eastern Imbroglio.

pirited and had begun to realise that retention of the Smyrna Vilayet was beyond their strength. The Turkish Nationalist Forces, on the other hand, although the country was desparately in need of peace, were on a rising tide, and the Franklin Bouillon agreement with France, implying as it did recognition by one of the Great Powers, further strengthened their position. In March 1922 therefore a meeting was arranged in Paris between the Foreign Ministers of the three Allied Powers; at which an armistice and mediation between the belligerents were once more proposed; and as a basis of discussion it was suggested that Eastern Thrace should be restored to Turkey, who was also to regain unimpaired her sovereignty over Smyrna, Asia Minor and Constantinople.

The terms thus put forward clearly show the influence of the Indian Government, whose representations made just before the conference assembled, had been published by the Secretary of State for India. They were accepted by Greece and by the Constantinople Government, but the Angora Government, while agreeing to them in principle, were stiffened by Bolshevik influence into insisting on the immediate evacuation of Anatolia by the Greeks. The Greeks would not agree to this and determined once more to attempt to reach a solution by force. On June the 7th their fleet bombarded Samsun in the Black Sea, a port where large quantities of Turkish material were said to be stored. This event caused considerable excitement in India, where it was thought though erroneously, that the passage of the Greek fleet through the Straits and Bosphorus constituted a breach of Allied neutrality. But in the following month confidence was in a great measure restored by the prompt Allied refusal, in which Great Britain took the lead, of the Greek request to allow their forces to occupy Constantinople. In the same month the Greek High Commissioner in Smyrna was instructed by his Government to transform the occupied area into an autonomous protected State to be called Ionia. This move, together with other events which took place about the same time, convinced the Turks that only force would end the struggle, and force was now on their side. Towards the end of August they delivered a fierce attack on the Greeks at Afiun-Kara-Hissar, which railway junction formed the centre of the Greek line. No effective resistance was offered and the Greek army was speedily everywhere in full retreat towards the Sea. A fortnight later Turkish cavalry entered Smyrna. Their entry was followed, after a few days interval, by the burning of a large part of the town, an act for which either side still blames the other. Pillage, rapine, and massacre followed

Struggles and Triumph of Turkish Nationalism.

the fire and Smyrna was reduced to a heap of ruins, whence Allied ships were only able to rescue a small proportion of the homeless fugitives.

The debacle of the Greek army produced a violent re-action in Greece. A revolution took place; King Constantine was forced to abdicate and a number of Ministers and Generals held responsible for the calamity were executed. But Greek resistance was now obviously at an end, and the question for determination by the Powers involved issues which amounted to no less than a general settlement of the whole Near Eastern question, immensely complicated by the events of the preceding years. Lord Curzon at Paris was able to induce Italy and France once more to accept the principle of Allied solidarity, although on the banks of the Dardanelles the forces of those two countries were withdrawn from giving any support to the British detachment. The show of force made by the British alone was however sufficient to bring the Turkish armies to a halt; and an armistice, in the negotiation of which General Harington, Commander of the British forces in the Near East, took a leading part, was signed at Mudania early in October. The terms of this armistice, which of course was between Greeks and Turks, involved the cession of Eastern Thrace to Turkey, and with its conclusion the danger of a wider conflict seemed to have passed. The disappointment of the Bolsheviks, who had been eagerly awaiting the commencement of another world war, must have been acute; but the relief of more benevolent Powers was correspondingly obvious. Among these must be counted Afghanistan, who forthwith proceeded to ratify her treaty with Angora. A Conference of the Powers concerned was forthwith summoned to Lausanne on the 20th of November, where it remained in discussion for the next two months. Russia, it should be noted, was admitted by the Allies to the discussion on questions connected with the Straits, but not to the Conference as a whole, while the United States of America, though taking no part in the Conference, was officially represented by a delegate with a watching brief. Despite prolonged negotiations and very substantial concessions, the Allied Powers, who throughout acted in close concert, were unable to reach a settlement in all respects agreeable to the Turks. The actual rock on which the split took place was the question of economic concessions, in which France and Italy were interested rather than Great Britain, and so far as Great Britain was concerned the Turks were willing to conclude a separate peace, the question of Mosul being reserved for separate discussion. This

Turkey and the Allies.

The Lausanne Conference.

separate peace Lord Curzon, the chief British representative at the Conference, felt himself unable to accept, and the present position is that the Turkish delegates after consultation with their principals in Angora have returned with counter proposals for presentation to the Allies. Previous to this momentous events had been happening in Constantinople. On the conclusion of the Mudania armistice, representatives of the Angora Government took over the civil administration of the city, with the result that the Turkish Sultan, whose position had been represented to India as being endangered by the presence of Allied troops in his Capital, was compelled to flee for his life. He embarked secretly on a British warship which conveyed him to Malta. After a short stay he left for the Hedjaz on the invitation from King Hussain.

The Khalifate Vaticanised.

No sooner had he departed than the Assembly at Angora declared him to be deposed, not only as Sultan but also as Khalifa, and proceeded to elect in his stead his nephew Abdul Majid Effendi as Khalifa but not as Sultan, thus bringing about that very vaticanisation of the Khilafat which Indian theologians had been declaring to be wholly foreign to Islam.

Prospects of Peace.

The general upshot of these events seems, at the moment of writing, to be hopeful. The negotiations between Turkey and the Allies have removed all major difficulties from the path of a resumption of the old amicable relations between Turkey and Great Britain. Indeed there seems reason to hope that the Bolshevik efforts to hinder the settlement of the Near Eastern question will ere long prove to have failed both patently and ignominiously; and that Mustapha Kemal and the reformed Turkish Government will shortly be able to free themselves from the mesh-work of Russian intrigue which has endeavoured to make of the National Government of Angora a cat's paw to pull Bolshevik chestnuts out of the fire.

Bolshevik Intrigue.

Apart from the gain to the anti-British plans of Russia resulting from the anxiety caused to the Mussalmans of India by the uncertainty of relations between Turkey —the protagonist of Islam—and the Allied Powers, there have not been wanting attempts on the part of the Bolsheviks to operate in less circuitous fashion. Mention was made in last year's Report of the difficulty in which the Amir of Afghanistan found himself, occupying as he does a position of great strategic importance between two mighty neighbours, with neither of whom does he wish to quarrel. In the summer of 1921, the Soviet Government had succeeded in securing the ratifica-

tion of a Russo-Afghan Treaty which they hoped might provide them with the channels they desired for conveying their propaganda into India. At the worst they hoped that the Russian Consulates they were to secure under the Treaty so near to India as Kandahar, Ghazni and Jalalabad would prevent the immediate establishment of the close amity and friendliness between the Amir and India which it was the desire of all true friends of Afghanistan should be concluded. But, as we saw, the Amir of Afghanistan refused to give free transit through his country to Bolshevik agents; and Russian intrigue was powerless to prevent the conclusion of a Treaty between Afghanistan and Great Britain, which implied if not close friendship at any rate neighbourly relations. A further blow to Bolshevik aspirations was given by a written assurance on the part of Afghanistan that Russian consulates—which means in other words propaganda bases—should be excluded from the neighbourhood of the Indo-Afghan frontier.

A New Afghanistan.

Afghanistan, in fact, is determined to maintain her jealously-guarded independence, and she cannot afford to be exploited for the ends of any neighbour. The attempt of the Bolsheviks to make use of her has already failed; for the advantage which it first enjoyed from the aftermath of feeling consequent upon the 1919 hostilities between Afghanistan and India has been largely nullified by the glaring discrepancy between Bolshevik professions and Bolshevik practice in Central Asia. The spectacle of the recent overthrow of a monarchy so ancient and apparently so well established as the Amirate of Bokhara necessarily conveyed to Afghanistan something of the dangers inherent in Russian domination. At the same time, bordered as she is by Russian territory, she necessarily desires to live on terms of amity with Moscow. Her diplomacy has been successful, as we have already noticed, in securing treaties with Russia and with England. She has recently, further, concluded an alliance of mutual defence with the National Government of Angora. Thus buttressed in her foreign relations with her neighbours, she has embarked upon a new era of internal development. During the current year Afghan newspapers have been full of evidence of the reforms which are being carried out, very largely under the personal guidance of His Majesty the Amir Amanullah. The number of schools has been greatly augmented; Afghan students are being sent abroad for training in the arts and sciences of the West; the whole administrative structure is being overhauled with a view to increased efficiency. Experiments are also being made in customs and revenue regulations to find the means of taxation

which will at once promote individual enterprise and the interests of the Treasury. At the same time advantage is being taken of the establishment of Missions or Legations at Teheran, Angora, Moscow, Berlin, Rome, Paris and London to despatch trade-agents whose business it is to explore the possibilities of developing foreign trade between Afghanistan and the rest of the world.

Britain and Afghanistan.

The new era in British relations with Afghanistan initiated early in 1922 by the appointment of an Afghan Minister at the Court of St. James and of a British Minister at the Court of Kabul, has opened harmoniously. The benefit of the steadying influence which the British Minister at Kabul has been able to exert has since been felt in many ways and has proved a valuable sedative to the Turkish and Russian irritants. The Amir has shown at once a sense of his treaty obligations and a disposition towards strengthening the bonds of friendship towards himself and Great Britain. This policy has great promise for the future and does credit alike to the sagacity and to the patriotism of the ruler. The entry of Afghanistan upon diplomatic relations with various foreign powers marks the abandonment of her old traditional policy of isolation. The extent to which her welfare depends on good relations with India, on whom she must rely wholly for means of access to the sea and in a great measure for communication with the outside world, has been illustrated by the Afghan Government's desire for assistance in a variety of ways. Among these may be cited requests for the training of Afghan telegraphists and wireless operators in India ; the conduct of amicable negotiations for a Trade Convention ancillary to the Treaty of 1921—which are expected shortly to reach a successful conclusion—and the linking of Kabul with the Indian telegraphic system through a land line now just opened. The materials for this line, it may be noticed, were presented to the Amir by the British and Indian Governments ; while the skilled staff which erected it were provided from India though paid by the Afghan Government whilst at work in that country. At the same time, in the realm of internal development it has been typical of the Amir's policy to avoid giving an opening either to Russia or to India ; he has sought assistance in other quarters. Hence it comes that there are in Kabul Italian prospectors, German engineers, French professors, Turkish officers and American company-promoters, all of whom have been invited by the Afghan Government to assist the progress of Afghanistan towards wealth and

civilisation. Indeed, this progress is a matter of some importance, if the newly established foreign legations are to be for long maintained in so many distant and expensive capitals. The presence of foreigners of many nationalities in Kabul must be a cause of satisfaction to those who desire the establishment of a firm friendship between India and Afghanistan. The entry of Afghanistan into the general comity of nations is on all grounds desirable; while international competition will provide the Afghans with a standard of comparison such as will eventually enable them to judge which of the nations they may honour with their trust and respect. It may be mentioned in passing that a serious obstacle to the development of more harmonious relations between India and Afghanistan lies in the potentialities for mischief of the colony of Wazir desperados who quitted Waziristan in 1919 and 1920 and settled down at Shahjui in the province of Kandahar. Here they have made themselves a great nuisance to all and sundry. In 1922, as we shall notice in another place, large numbers of them returned to Wana at the bidding of the notorious firebrand Haji Abdur Razak and made an attack on the Indian Officer and the Khassadars holding Wana Fort. Air force operations and the removal of Abdur Razak to Kabul under orders from the Amir quashed the trouble for the time being; but in December the Wazirs tempted fortune once again and sallied forth in strength. One party went right across Afghanistan by the Helmand route and brought off some successful robberies in Sistan. But the gallantry of a force of local levies deprived them of much of their booty and they returned discomfited with the loss of one of their leaders killed and certain other casualties. The other party entered Baluchistan, but were even more unsuccessful. The Afghan Government is apparently taking serious measures to prevent any recurrence of the incident and has appointed a new Governor to the Kandahar Province.

Mischief-Makers.

The difficulties of India upon the North West Frontier are not confined to causes which operate beyond her own borders. Between Afghanistan and British India there lies a tract of territory which, though part of India, is not directly administered by the Government. Here dwell, in rocky and desolate fastnesses, a number of warlike and fanatical tribes, who eke out the meagre subsistence their land affords by raiding their more peaceful and prosperous neighbours. Their martial spirit and their fierce devotion to what they understand of the Muslim faith make them formidable antagonists; while their barbarity and savage

The Borderland: Tribal Territory.

independence constitute a standing menace to the security of India. At any moment, a fanatical preacher, a wild rumour, or a hostile intrigue may start a flame which may sweep the border from end to end, and unite in common hostility to civilisation and peaceful progress the 130,000 fighting men, equipped with modern rifles and ageless savagery, who constitute the muster of the tribes. It is the presence of these potential enemies within her very bounds, the permanent advance-guard as it were of foreign invasion, which rivets the eyes of India upon the Gates of the North. Year in and year out, the unceasing labours of the British and Indian Officers of the Political Department are devoted to the task of influencing the tribes in the direction of peace and order; allowances are paid for good behaviour, and the more sober elements are coaxed to play their part in the work of civilisation; while Frontier Constabulary and regular troops keep watch and ward over the Border.

The Border in 1922.

Although the general disquiet of the Islamic world of the Middle East has exerted during the last three years a disturbing influence upon the North West Frontier of India, it is gratifying to be able to record that during the year 1922, as during 1921, there has been a steady improvement. Conditions are returning to a state more nearly approximating to that which obtained prior to the recent hostilities with Afghanistan; and the progress towards normalcy though gradual has been marked. Throughout the major portion of that restless portion of India which separates the districts under direct British administration from the 'Durand Line', marking the frontier of Afghanistan, conditions have been more satisfactory than at any time during the previous three years. The process of recuperation has been facilitated by improved economic conditions. During 1921, there had been severe famine, only alleviated by rains towards the end of the summer. Scarcity continued throughout the border country into 1922: on the other hand the rains in most parts were steady and seasonable with the result that crops in tribal territory were ample and the grazing good. There was thus less incitement to lawlessness than in the previous year. More powerful still, it may be noticed, as an influence to peace in the Trans-Frontier tracts, is the gradual cementing of friendly relations with Afghanistan. There is far less tendency on the part of irreconcilables to create trouble for the Government of India when they know that their efforts are not supported by outside influences. But while there was thus less anti-British intrigue than in the previous year, the situation is not without disquieting features; among which may be mentioned particularly the revived

activity of the fanatic colonies in tribal territory who are financed from Bolshevik sources. On the whole, the general situation of the border during the period under review assisted the political officers in their task of maintaining peace and improving the general disposition of the tribes. Recent Administration Reports show that the villagers of British India have begun to display a greater tendency to combine with the frontier constabulary in dealing with bandits from trans-border territory; with the result that many notorious raiders have been eliminated.

The Yusafzais.

A brief survey of the border from north to south will give the reader some idea of the actual situation which obtained during the period under review in this troublous zone. Taking first the country north of the Khyber it may be noticed that the personal ambitions of the chiefs of the Yusafzai tribes living in the basins of the Swat and Panjkora rivers have resulted in a continual state of war. The two leading rulers, the Nawab of Dir and the Mian Gul of Swat embarked on hostilities for the settlement of a long standing dispute over the province of Adinzai on the left bank of the Swat river, close to the British bridge head at Chakdarra. There was little hard fighting, since the two forces took up positions about a thousand yards apart and commenced a tedious sort of trench warfare. Both sides embarked upon a series of intrigues which gradually brought the leading men of the neighbourhood directly or indirectly into the struggle. Wearied with ineffectual efforts, the combatants before long agreed to suspend hostilities until August. The opposing forces withdrew to their own country, the strong points in their lines being left to the care of watchmen. Towards the end of the year hostilities of the usual inconclusive kind were again resumed, but up to the time of writing have produced little result.

The Khyber.

In the Khyber region, the general improvement in the tone of the Afridi tribes which was remarked in last year's Report has continued. Progress on the Khyber railway which will ultimately connect Peshawar with Landi Khana, continues to be steady. The earth-works and tunnels are well advanced and the project should be completed in December 1923. It is hoped that this line will do much to open up the tribal country through which it passes, and will facilitate in marked degree the overland trade between India and Afghanistan. As regards labour on the works and relations with the local tribesmen there has been little trouble, and the situation continues satisfactory. It may be noticed that in the period under review the Zakha Khel Afridis, who had formerly opposed construction

being carried on through their limits, withdrew their opposition. Once this matter was settled there has been no other cause of dispute and the progress here has been as good as upon other portions of the line. It is, however, typical of the general condition of the Khyber area that before the year closed a small incident seriously disturbed the serenity of the Afridis. Between the Afridis and the Mohmands there is a small tribe known as the Mullagori. They number some 1,100 fighting men, and succeed, though indifferently armed, in holding their own against their powerful neighbours with whom they are continually at feud. On the 24th December 1922, a party of Frontier Constabulary crossed the administrative border into the Mullagori country, surrounded a village and arrested a noted outlaw. The Mullagoris being much incensed at this, appealed to their powerful neighbours the Afridis and the Mohmands to help them in resenting such a violation of "tribal" territory. Some feeling has been created among the Afridis by the incident, and their tribal councils categorically demanded that the outlaw should be released.

The Kurram.

Further south, in the Kurram valley the year opened with a section of the Orakzais and a settlement of the Wazirs in Sangroba being under blockade for various offences. In the middle of the year, these sections settled with Government and paid in the rifles and fines due from them. The situation in the Kurram is thus at the time of writing more satisfactory than it has been for some time. But an old feud between the Suliman Khel of Ningrahar in Afghanistan and the Turi inhabitants of Zeran north of Parachinar was revived in May; when the Suliman Khel came over the frontier and killed a havildar of the Kurram Militia and wounded two villagers of Zeran. Incidents such as these can be disposed of most profitably by mutual agreement and the Afghan Governor of the southern Provinces appears to be anxious to adopt this course. It is hoped that a meeting between British and Afghan frontier officials will shortly be arranged to settle such outstanding cases between the subjects of both countries.

Waziristan.

In Waziristan, there was until the beginning of November 1922 a certain improvement, less marked indeed than elsewhere, in correspondence with the condition of the rest of the border. It may be recalled that during the last two years the Government has been compelled to take punitive action against the Mahsuds and the Wazirs. Ever since we inherited from the Sikhs the task of controlling Waziristan; and especially since Amir Abdurrahman of Afghanistan formally recognised this tract as lying within our sphere,

an attempt has been made to follow the policy of non-interference. With the exception of granting subsidies intended to enable the chieftains to keep their young bloods from raiding, and the maintenance of posts garrisoned by militia locally recruited, the British administration has had as little as possible to do either with the country or with its inhabitants. But, as was remarked last year, the hope that if they were left alone they would leave British India alone has proved fallacious. On an average every four years their repeated misdeeds have necessitated active operations of a major or minor importance. Since 1852 there have been seventeen of these operations, and since 1911, four; all occasioned by deliberate provocation on the part of the tribesmen who have ravaged the plains whenever they saw an opportunity. Alike during the Great War and during the Afghan War of 1919 their depredations grew bolder and more intolerable than ever; and after the signature of the peace treaty with Afghanistan, they absolutely refused the lenient terms offered them by the British Government. Punitive operations involving severe fighting, were accordingly undertaken during the year 1920 against the Mahsuds. The end of that year saw British troops firmly established at Ladha in the heart of the Mahsud country. Throughout 1921 there was almost continual trouble. Irreconcilables from the fanatic colonies strove to keep alive the opposition to the British Government. A regular campaign had to be conducted against the gangs who made their living by kidnapping British subjects and raiding the villages in the plains. As recently as December 1921, considerable casualties were suffered at the hands of the Wazirs by a convoy returning from Datta Khel down the Spinchilla pass in Northern Waziristan. In central Waziristan throughout the whole of that year the state of affairs was even more disturbed. Intensive campaigns were conducted against our lines of communication and almost daily attacks were made upon convoys and pickets. But towards the end of 1921 the situation somewhat improved; one of the most turbulent sections, the Abdullais, in particular suing for peace and ceasing their opposition on the 29th December. In southern Waziristan also the antagonism of the tribesmen had been considerably reduced by steady operations, and on the 14th September 1921 the Wana Wazirs had signed a treaty accepting our terms. The troops on the Wana line were accordingly withdrawn and their places taken by small garrisons of Khassadars, local men who provide their own arms, ammunition, equipment and food. At the commencement, therefore, of 1922, the prospects of peace in

Past Difficulties.

Their slow solution.

Waziristan were comparatively bright; and it was hoped that there would be a gradual but steady improvement in the political situation. In the Tochi it was necessary to deal with the aftermath of the Spinchilla affair; and air operations were conducted against the principal refuge of the offenders. Khassadars were raised during January and February, and many brushes occurred with the Ahmedzai section. At the end of April, however, these tribesmen moved off to their summer grazing grounds. Early in March, unfortunately unfavourable developments showed themselves in the vicinity of Wana. The fanatically anti-British leader Haji Abdur Razak, as we have already noticed, made a bid to disturb the peace and work up the hostile elements to attack the newly raised Khassadars. The monthly convoy was waylaid, the Khassadar escort being out-numbered and forced to retire. Worse was to follow. Wana itself was boldly attacked on the 4th April. But the Indian officer in charge of the post made a stout defence in which the Khassadar garrison loyally co-operated. Help was shortly forthcoming. From the 7th to the 10th March the Royal Air Force bombed and machine-gunned the hostile Wazirs with such good effect that they abandoned the siege and dispersed to their homes. In the course of these operations an exciting incident occurred. One of the planes was compelled to make a forced landing near Wana. A party of mounted men dashed out from the post placed the pilot and observer on ponies and took them off in the direction of Ladha. After fighting a rearguard action for 15 miles they fell in with some friendly Mahsud chiefs and were by them escorted into safe refuge.

Guerilla Warfare.

The troops on the Ladha line also came into conflict with Mahsuds of the Jalal Khel and Abdur Rahman Khel sections. Early in March successful air action was taken against the Jalal Khel with the result that their activities were for the moment suspended. They soon commenced their usual practices. Like all Pathans they leave little to chance in their forays, sparing no pains to ensure success. The utmost care is taken in the selection of the ground on which their ambush is to take place, and they study in minute detail the habits and movements of their opponent. Two incidents which occurred during the summer illustrate this fully. The first occurred in the vicinity of Khajuri in the Tochi. After watching a platoon for days some men of the Jalal Khel laid an ambush directly in the track over which they expected the troops to move. Good cover existed and a platoon walked into the trap. There was a sudden burst of fire, most of the platoon were down before they could realise the situation; and with the loss only of three men the gang were off with a

Lewis gun and 22 rifles, having killed 21 and wounded four of our men. The second incident was also an example of careful preparation. The Jalal Khel had evidently made a study of the methods adopted by the Khassadars in carrying out protective duties: for they selected the 1st of July, one of the days on which the picqueting of the road fell to the Khassadars, to raid the convoy. Accordingly a party of about 100 men lay up near Ahmadwam, half a mile north of the Barari Tangi Villagers, who were evidently in collusion, were peaceably working in the fields. All seemed quiet, when suddenly two Mahsuds who were walking along by the convoy stabbed Captain Edmiston, the officer in charge. This was the signal for an attack. Eight men of the 81st Transport Corps were killed, three wounded and 40 mules were carried off. Mobile columns moved out as quickly as possible after the raiders, but the enemy were out of reach with their spoils before they could be brought to action.

Recent Developments.

In pursuit of the policy which will be explained in greater detail at a later page, work was commenced in August on a new road taking off from the main Tochi road at Isha, which is intended eventually to form a portion of a mechanical transport road from Tochi to Razmak. Work proceeded steadily throughout the autumn, and at the end of December it had reached a point within nine miles of the Razmak Pass. Its construction was carried out peacefully under the protection of locally raised Khassadars. An announcement was made that a garrison of either regular troops or scouts would be placed somewhere in the vicinity of Razmak. The Wazirs readily agreed to this; indeed they were probably relieved by the prospect of troops being located in the vicinity; for the encroachments of the Mahsuds are felt by all their neighbours, and not merely by the peaceful inhabitants of the settled districts of India. But in spite of the evident intention of Government to carry out their policy, rumours soon began to float through the Mahsud country that the whole of Waziristan was about to be evacuated. The effect of these rumours was decidedly bad, and in November 1922 the situation among the Mahsuds deteriorated in marked degree. The Jalal Khel were first in the field and committed an impudent raid between Dera Ismail Khan and Pezu. On the 10th November they held up a motor car and abducted two Indian officials, whom they carried off to their own country together with a Canal official whom they met on return journey. The captured officials were subsequently released without ransom on the 20th November. In December, also, the troops employed in making the Razmak Road were shot at by some of the

Abdullai Mahsuds. Air operations were promptly undertaken against the offending sections and continued until the end of the year. While these operations were proceeding, the 7th Indian Infantry Brigade established themselves without incident at Razani about 8 miles from their objective Razmak. The situation at the end of the year 1922 was therefore that the Tochi Wazirs were quiet, but the Mahsuds in a disturbed state. The Wana Wazirs were also quiet with a garrison of 500 scouts at Wana. In January 1923, the dominating position of Razmak was occupied while a road from it to the Tochi stood nearly completed. This road is to be taken on to join up with the road from Jandola, and a second road is to be made from Jandola to Sarwekai where a strong post of scouts is to be located to support the Wana Khassadars. As soon as the roads are completed the troops are to be withdrawn and road protection will be left to scouts and Khassadars. The future scheme for controlling this turbulent country is described more fully below; it is sufficient here to say that the tribes are to be enlisted on the side of law and order by allowances and by service in the Khassadar force; while supervision is to be provided by scouts in strategic positions linked up by roads to regular troops in peace stations.

Baluchistan.

South of the Gomal, there is a more cheerful story to tell. Since the days of Sir Robert Sandeman, the province of Baluchistan, marching as it does with the frontiers of Afghanistan and Persia, has been an oft-quoted example of the success of what is sometimes called the Forward Policy—the policy of extending the administrative boundaries of British India until they coincide with the political boundaries of India herself along the line of the Afghan border. By enlisting the weight of local opinion upon the side of peace: by strengthening the authority of the tribal leaders: by providing scope for youthful enterprise in the Khassadar companies; and by securing to the inhabitants that autonomy which they value so highly, the British Administration has made Baluchistan contented and law-abiding. During the last Afghan war, it is true, the structure of peace and order was severely strained: but its foundations stood unshaken. Since the cessation of hostilities Baluchistan has been the first of the Frontier tracts to show rapid recovery. The fact that at the end of 1921 a treaty had cemented neighbourly relations between India and Afghanistan was hailed with relief by all the best elements in the province. Certain results became visible almost immediately. Across the frontier the local Afghan officials began to display a new desire for a good understanding, manifesting

itself in a readiness to co-operate for the suppression of petty border crime. This attitude was, generally speaking, maintained throughout the year and gave reason to hope that the Afghan Government would take strong measures to prevent the colony of Wazirs in Shahjui, of which mention has already been made, from raiding into British territory. Indeed by degrees small parties of them began to drift back to Waziristan. In the last month of the year, as we have seen these irreconcilables launched two impudent raids, one down the Helmand and the other in the Quetta district. As a consequence, the Afghan authorities took serious notice of the conduct of their turbulent guests, whose activities are not likely to remain long unhampered. Another problem, which has for sometime been exercising the local authorities, seems also in a fair way of settlement. Incessant raids have been made during the last few years by two nomad tribes, the Suleman Khels and the Kharots, who migrate yearly during the cold weather from Afghanistan into India, and from whose depredations the inhabitants of the Zhob agency have for long suffered severely in lives and property. Towards the end of the year a tribal council was held at Fort Sandeman, attended by the leaders of the nomad tribes on the one hand and by the headmen of Zhob and Loralai on the other. An agreement was successfully negotiated providing for the payment of compensation by the offenders and a promise of good conduct in the future. If the Suleman Khels abide by these terms, the tribesmen in the Zhob agency will be relieved of an intolerable burden. As symptomatic of the gradual settling down of the province it may be mentioned that the inhabitants of British territory behaved well throughout the year. Many outlaws came in to have their cases settled under the auspices of their political agent; and there was undoubtedly a disposition to return to the older allegiance which the Afghan War had so severely strained. Thanks to the co-operation of the tribesmen, the majority of those concerned in the murder of the R.A.V.C. officer last year were captured or killed — another piece of evidence of an increasing desire for the resumption of good relations. The amelioration of the situation has been further facilitated by the fact that in the middle of 1922 the severe economic strain to which the people of Baluchistan have been subjected during the last two years came to an end. Conditions improved almost everywhere. Considering the premium which poverty places upon violent crime the good behaviour of the tribesmen throughout the early part of 1922 is the more laudable.

Easier Conditions.

Such was the general condition of affairs on the Northern and Eastern border of Baluchistan during the period under review. On the Western border, however, a new situation arose The Persian Government which has lately shown signs of regaining its former stability decided to take up the task of administration throughout its dominions and in the beginning of 1922 a Governor was installed at Duzdap. The position therefore became somewhat anomalous, for inspite of this outward sign of the resumption of their jurisdiction, the Persian Government continued to acquiesce in the existing control of the Sarhad and of the Railway. The arrangement has so far worked with very little friction, although in December, certain complaints on the part of the non-Persian trading community of Duzdap against the Governor necessitated a discussion—resulting in amicable agreement — between the Persian official and the local authorities of Baluchistan. But while the Sarhad itself remained quiet, affairs in Mekran, a territory within the state of His Highness the Khan of Kelat, were not entirely satisfactory; the year opening with a spirit of unrest and a general feeling of insecurity along this portion of the border. The experiment was tried of nominating the brother of His Highness the Khan with very full powers as Governor of Mekran; but after a brief interval he resigned, and the attention of the local Government was directed to devising in co-operation with His Highness the Khan, a strong system of administration for this difficult border tract.

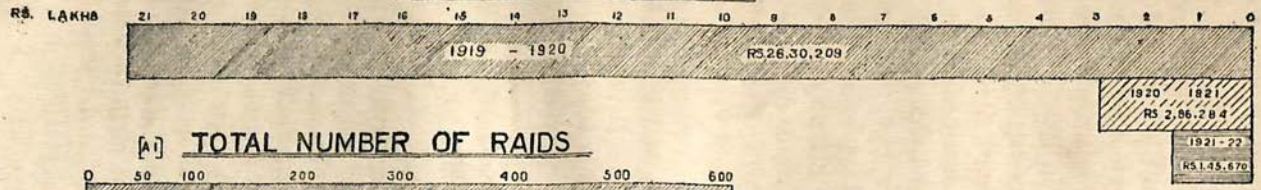
The Persian Border.

So far as the general internal situation of Baluchistan is concerned, there is little to record. As in previous years, the people as a whole continued to show a preference for their own methods of political development and paid little heed to the disturbed currents which agitated many of the other provinces in India. The policy of associating the people as much as possible with the administration; of taking their advice, as ascertained in tribal councils of the elders, upon larger questions of policy as well as upon merely tribal matters, has been steadily pursued; and the close personal relationship which exists between the Administrative officers, both British and Indian, and the people themselves adds to the general contentment by giving reality to popular influence.

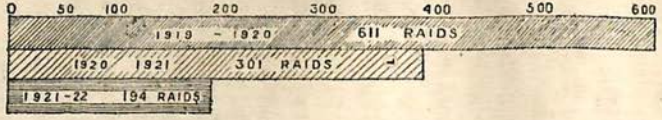
From this brief consideration of the tract which on the North-West and West constitutes the extreme political limit of India, we may now turn Eastward to those settled districts of British India which form part of the North-West Frontier Province. In general it may be noted that economic conditions were considerably easier in 1922 than in

The North-West Frontier Province.

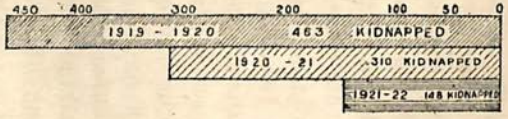
[E1] TOTAL VALUE OF LOOT



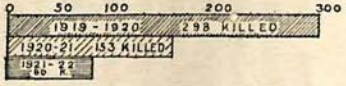
[A1] TOTAL NUMBER OF RAIDS



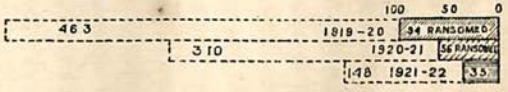
[D1] TOTAL KIDNAPPED



[B1] TOTAL KILLED

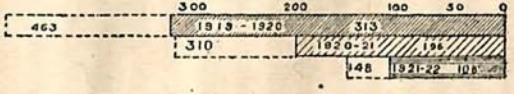


[F1] TOTAL RANSOMED



[C1] TOTAL WOUNDED

[G1] TOTAL RELEASED WITHOUT RANSOM



the previous years. Both the spring and the autumn crops were good; and the prices of food grains fell largely in consequence. The gradual return of the province to normal conditions, after the unrest which has been a heritage from the third Afghan War and the general disquiet consequent upon the world struggle, is indicated by the increasing success of the Administration in suppressing the raiding nuisance. The vigorous policy of dealing with outlaws initiated in 1921 was continued; the Frontier Constabulary, the Police and the village levies achieving a large number of successes against raiding gangs. A reference to the diagram on the opposite page shows the steady decrease in the number and the seriousness of the raids on the four trans-Indus settled districts which have been the greatest sufferers during the last three years. A comparison of the figures for the three "official years" comprising the 12 months ending on the 31st March 1920, 1921 and 1922, affords remarkable proof of the general success of the efforts by Government in restraining raiding operations. In the year ending on the 31st March 1920 there were no fewer than 611 raids in the settled districts of Peshawar, Kohat, Bannu and Dera Ismail Khan. During the year ending in 1921, this number fell to 391. By the 31st March 1922 it had been reduced to 194. The improvement was most marked in the Peshawar and the Dera Ismail Khan districts; in the former the raids fell from 145 to 57 and 15; the kidnapping from 105 to 22 and 1; the value of property looted from Rs. 3¼ lakhs to Rs. 13,000 and Rs. 4,000. In Dera Ismail Khan the raids fell from 198 in 1920 to 84 in 1921 and 51 in 1922; the kidnappings from 127 to 36 and 17; and the lootings from Rs. 12 lakhs to Rs. 88,000 and Rs. 56,000.

What Raiding Means.

A study of these figures may perhaps convey little save to those who have some personal experience of what the raiding pest really means. It has been said that with the trans-frontier tribesmen, especially the Wazirs, plunder is more than a propensity; it reaches the dignity of a principle. The tribesmen especially pride themselves upon their dexterity and bravery in this kind of enterprise, regarding the property of all neighbouring tribes and especially of the inhabitants of the settled districts as their lawful prey. It may be explained that the methods pursued by raiders are of two kinds. The first is the raid with a definite objective which is planned beforehand; the second is the raid which materialises as opportunity presents itself. To take the former first. A few years ago, when the raider was sure of his line of retirement into his hilly fastnesses, he could make his plans, collect his gang and move on his objec-

tive with a knowledge that his project was unknown either to his intended victims or to those whose duty it was to protect the villagers. Each clan has a number of picked warriors who are able and practised robbers, in many cases outlaws from British justice. These picked men have their spies in British territory, and are immediately informed whenever a tempting prize presents itself. A gang of sufficient strength to carry out the raid then collects and sets off in the direction of the scene of the proposed action. The gang is usually divided into three parties. The first party consists of the warriors who have won their fame in previous forays, accompanied by some of the most promising of the younger men: the second party consists of the unblooded men and boys; and the third of the men whose fighting days are almost over. The second and third parties are dropped at points between the starting point and the objective. When the spies report that the coast is clear, the first party descend upon their prey, loot, murder and burn. In the commotion which ensues they retire upon the second party who take over the booty, and then in their turn retire upon the third party as fast as they can. Meanwhile the first party disperses and its members make their way individually to their homes; an example which is followed by the second party so soon as they have handed over their loot to the third. When safely back in tribal territory the gang recollects and distributes the booty according to the share of work which has been taken in the actual raid. It is interesting to notice that in the past few years this type of raid has become rarer and rarer. Since regular and irregular troops are now in possession of strategic points in tribal territory, the raiders find that it is impossible to carry out operations on such an extensive scale with reasonable hope of the necessary secrecy. Further the British policy of organizing armed parties of villagers, which work in co-operation with the frontier constabulary, has of late been very successful in securing the interception of raiding gangs and the recovery of lost property. Hence of late there has been a tendency to indulge rather in the second type of more haphazard raiding, for which only small gangs are required. This type of operation is carried out by a few men, who merely seek to carry off what chance may deliver into their hands. Cattle is a favourite objective, together with prominent local individuals, who are kidnapped and removed to tribal fastnesses until such time as a ransom is paid. In dealing with this type of raid, the village pursuit parties and the frontier constabulary have done admirable work; but it seems unlikely that these forays can be entirely stopped until some method is found of civilizing the trans-border tribes-

men and enabling him to "live of his own." The statistics already quoted show the measure of success hitherto achieved; but the problem is not one which yields to any instant or ready-made solution. There are some sections of opinion indeed who advocate the wholesale distribution of arms to villagers in British territory. But there is considerable reason to suppose that such a step, so far from preventing raids, would actually encourage them; since on the one hand a rifle is more valuable loot than a goat or a cow; and on the other the villagers cannot perpetually be moving about in sufficiently large parties to resist the onset of raiders.

Public Indignation.

Mention was made in last year's Report of the feeling aroused throughout the rest of India at the intelligence of the hardships endured by the inhabitants of the settled districts of the North-West Frontier Province at the hands of trans-border raiders. We noticed that much weighty criticism was directed, particularly in the Legislative Assembly against this condition of affairs; the heavy cost of administration throughout the North-West Frontier Province being contrasted with the apparently meagre success of the authorities in suppressing the raiding nuisance. The attention devoted to the whole question by representatives of educated India led, as we saw, to enquiries as to the desirability of retaining or reversing Lord Curzon's policy of separating the North-West Frontier Province from the Punjab. These enquiries were stimulated by a belief among some sections of educated Indian opinion that the more advanced inhabitants of the settled districts of the North-West Frontier Province suffer both in their political status and in their judicial administration from their association with a government mainly concerned with the direction of comparatively uncivilised trans-frontier tribesmen. As a result of a resolution brought forward in the Legislative Assembly in September 1921 by Sir Sivaswami Aiyer, a Committee was appointed by the Government of India to examine the administration of the North-West Frontier Province. Among the most important of the subjects to which the enquiry was directed was an investigation of the working of the Province since its separation, the advisability of reamalgamation with the Punjab, and the possibility of the extension of the Montagu-Chelmsford Reforms to the Frontier by the constitution of a legislature. In the spring of 1922, the Committee toured throughout the areas concerned, and recorded evidence from various quarters. Its sessions excited con-

The Enquiry Committee.

siderable interest, since the central question, that of the maintenance of the North-West Frontier Province in its present condition, or its amalgamation with the Punjab, showed signs of becoming a Hindu-Muslim issue. Broadly speaking, the Hindu element of the population both in the Punjab and in the North-West Frontier Province seemed, to judge from the evidence, to favour amalgamation. The Muslim element on the other hand was generally desirous of retaining the predominantly Muslim entity of the North-West Frontier Province in its present condition. In which connection it is interesting to notice that early in August 1922, the Punjab Legislative Council, thanks to the Mussalman vote, expressed itself against the desirability of the amalgamating the Frontier districts with the Punjab. The Report of the Committee was presented to the Government of India in September, but is still under consideration and up to the moment of writing has not been published. Two Hindu members of the Committee Messrs. Rangachariar and Samarth, of the Legislative Assembly, wrote a minority report in which they describe the separation of the North-West Frontier Province from the Punjab as an experiment which has failed to justify the hopes of its designers.

Generally speaking the vivid interest in Frontier affairs which was so noticeable a characteristic of non-official opinion during the year 1921-22 declined somewhat during the period which we are now reviewing. This was probably a result first of the relief experienced through the fortunate resumption of neighbourly relations with Afghanistan, and secondly of the success of the authorities in dealing with the raiding nuisance, which last year had excited in all parts of India such widespread sympathy with the unfortunate victims. But during the whole of the year 1922 there was noticeable in the public press of India a tendency to discuss in its broader aspects the policy which the Government ought to pursue in regard to the Border in general and Waziristan in particular. The growth of intelligent interest in a problem which, if vitally important to India is none the less hedged round by many technical difficulties, must be ascribed largely to the success of the new policy of publicity adopted by the military authorities. During the last two years, earnest efforts have been made to educate the general public to an appreciation of the Frontier menace, with its inevitable reactions upon the main problem of India's defence; and there is reason to believe that a measure of success has already been achieved. At the beginning of the period now under review a party of

Public Interest in Border Policy.

journalists made a tour of the Border, and under the guidance of experts from the General Staff, acquired a working knowledge of the conditions governing the relations of British India with the tribal territory as yet unadministered. As a result of the popular interest thus aroused, there has been considerable discussion in the press as to the relative advantages of the so-called "forward" and "close border" methods of dealing with the thorniest tract of the Border belt, Waziristan. This discussion has naturally been influenced very largely by the conditions of financial stringency prevailing in the country; and by the assumption that the military operations conducted during recent years in Waziristan constitute a source of unprofitable expenditure. There was thus a demand in many quarters for the adoption of the policy of the "close border"—that is to say, the retirement of our troops to a position within the directly administered districts of British India; and the erection of some modern equivalent to the Great Wall of China for the exclusion of the tribesmen inhabiting the territory between these administered districts and the frontier of Afghanistan.

Decision of Government.

But the technical objections to such a policy, and the reasons animating Government in adopting the plan outlined upon a previous page, were clearly indicated in an important speech delivered towards the close of the period under review by the Foreign Secretary of the Government of India. Speaking before the Legislative Assembly on the 5th March, Mr. Denys Bray began by outlining the three ingredients of the Frontier problem—the State of Afghanistan, the so called Independent Territory and the settled districts. He pointed out that north of Baluchistan, British India and Afghanistan do not possess a conterminous frontier; that while the Indian border, in the strict sense of the term, marches with that of Afghanistan, the border of British India does not. It is between the limits of British India and of India in the wider sense that there lies the belt of so-called Independent Territory. This is not really "Independent" at all; for only from the point of view of the British districts can the tribes inhabiting it be considered as trans-frontier men. Ever since the demarcation of the Durand boundary line between India and Afghanistan in 1893 these tribesmen have been India's responsibility; and from the international point of view they belong to India. Mr. Bray proceeded to describe how, subsequent to the 1893 agreement, Amir Abdurrahman of Afghanistan inaugurated campaign after campaign against his own frontier tribes in order to extend Afghan rule up to the Indian

The Foreign Secretary's Announcement.

border. In so doing he was pursuing the policy associated with the name of Sir Robert Sandeman in Baluchistan, where the sphere of British administration had already been extended up to the Afghan frontier. But the task which was successfully accomplished for Baluchistan twenty years ago by Sandeman is now infinitely more difficult for other parts of the Border; principally because the tribesmen in the belt between Afghanistan and India, who have from time immemorial descended from the mountains to raid and pillage the inhabitants of the plains, are now vastly better armed than at any previous period. Accordingly, in the present time of acute financial stringency, a thorough-going forward policy, which would have as its effect the administration of Indian territory right up to the borders of Afghanistan, must remain a mere counsel of perfection. But though this be granted, Mr. Bray proceeded to argue, it does not follow that the "close border" system is the proper solution even for the moment. Lines of barbed wire linking up posts strongly held at intervals, with mechanical transport roads running right along the border, patrolled by constabulary in motor cars, although they might gain for the settled districts of British India a momentry respite from tribal raids, would result in a legacy of infinitely worse trouble for the future. Such a policy he stigmatized as a policy of negation and nothing more. To leave the tribesmen in isolation would in reality be leaving them free to brew incalculable mischief. Accordingly he said, the policy which the Government of India are determined to pursue is that of bringing the Mahsud country, the strategic heart of Waziristan, under control. Military occupation is, for financial reasons, beyond the resources of India, and it will shortly cease. It will be replaced partly by a system of internal control based on scouts and Khassadars; and partly by external supervision from the two posts of Manzai and Razmak, which though outside Mahsud territory, effectively overlook it. A mechanical transport road, now almost complete, is to link up the Tochi to Razmak and Jandola. With its construction, all regular troops will evacuate the Mahsud country; and the protection of the road will be committed to locally enlisted Khassadars, supervised by scouts at Sararogha and Kotkai, who in their turn are to be based upon the regular troops at Razmak and Manzai. The result of this policy will be to rob the Mahsuds of the inaccessibility which has been the root cause of that persistence in utter barbarism which has made them a by-word among other Pathans. At the same time the Khassadar system

The "Forward" and the "Close Border" Policies.

Results Anticipated.

will give the tribe a stake in the administration of law and order ; while the construction of some 140 miles of road in Waziristan itself will provide the channels through which civilization may gradually penetrate. In the opening up of the Waziristan country, in the penetration of civilization to these inaccessible mountain tracts, Government has found the only solution to the Waziristan problem. For until the inaccessibility of the Mahsud country can be broken down, the economic stringency, the crass ignorance and the barbaric cruelty which result from it will continue. As the Foreign Secretary pointed out, in so fas as the forward policy means a move forward to the Durand line, the policy now enunciated is not fairly entitled to be thus classed. For the new post at Razmak is further from the Durand line than the old established posts in the Tochi, and whereas Wana, close to the Afghan border, has been held by regulars and irregulars since 1894, it will from henceforth be held by Khassadars only. But in the wider sense of the word the Government policy is a forward policy in that it is a policy of progress ; a big step forward on the long and laborious road towards the pacification through civilization of the most backward and inaccessible, and therefore the most truculent and aggressive of all tribes on India's border.

While it remains true to say that in many respects the interest which has been taken by educated India in the problems of defence is, on account of the more assuring Afghan situation, less painful than that which we noticed in the year 1921-22, there persisted, during the period now under review, the healthy symptom of an increasing demand that Indians should take their part in defending their country. This demand has taken two distinct shapes ; first a request for the rapid Indianization of the commissioned ranks of the regular Army ; and secondly for the extension of the existing facilities for training Indians in the Territorial Force. In connection with the first the interest taken by the Legislature has continued unabated during the period under review. Government has not been unresponsive, and the progress achieved in this direction, although far from satisfying the newly-voiced demands of Indian nationalism, is none the less very real. Since the War, as was pointed out by His Excellency the Commander-in-Chief in speaking on a motion in the Legislative Assembly in January 1923, the story has been one of steady and continuous advance. Mainly as War rewards to Indian officers holding the Viceroy's Commission in the Indian Army, 371 honorary King's Commissions have been granted. In addition to

these there are now some 66 Indian officers holding the full King's Commission and serving in the regular Indian Army or doing the normal period of attachment to a British regiment which is required of every officer whether British or Indian before he joins the Indian Army. There are also some 23 Indian cadets under training at the Royal Military College at Sandhurst, who if successful, will shortly qualify for King's Commissions. Further, in order to enable Indian boys who desire to enter the Army to acquire the qualifications for admission to Sandhurst, there has been established, as was mentioned in last year's Report, the Prince of Wales' Royal Indian Military College at Dehra Dun. In January 1923 there were 38 boys in residence at the College and it is hoped that by April 1923 there will be 70 boys. Government also contemplate the establishment of other military institutions which will provide an education preliminary to the training to be obtained at the Dehra Dun College. This is being done because it has been realised that if the Indianization of the superior ranks of the Indian Army is to be given the fullest chances of success, it is essential that Indian boys who desire a military career should have precisely the same opportunities and facilities in the matter of education, both physical and mental, as have always been enjoyed by English boys destined for a career in the Army. In March 1923 Lord Rawlinson made in the Legislative Assembly a very important announcement, stating that eight units of the Indian Army had been selected for complete Indianization as soon as possible. The Units so selected include two from Cavalry, five from Infantry, and one Pioneer battalion. These are the 7th Light Cavalry (late 28th Light Cavalry), 16th Light Cavalry (late 27th Light Cavalry), 2–1st Madras Pioneers (late 64th Pioneers), 4–19th Hyderabad Regiment (late 98th Infantry), 5th Royal Battalion, 5th Maratha Light Infantry (late 117th Royal Maratha), 1–7th Rajput Regiment (Queen Victoria's Own Light Infantry, late 2nd Q. V. O. Rajput Light Infantry), 1–14th Punjab Regiment (late 19th Punjabis), 2–1st Punjab Regiment (late 66th Punjabis). The process will necessarily be gradual; since the earliest date by which the eight units can be completely officered by Indian officers holding the same qualification as are laid down in respect of British officers and having had same advantages of training and experience as British Officers, would be approximately 22 to 23 years from the present time. It might be possible to shorten this

National Defence.

"Indianisation."

period to some extent if Indian officers of outstanding capacity come to the front during the process of development. But such an expedient could not be relied upon as a normal procedure. Moreover, it might not be regarded as fair to place upon the first generation of Indian officers a burden of responsibility which normally a British Officer of corresponding age and experience would never be asked to shoulder. Upon the future potentialities of the experiment thus inaugurated it is difficult to lay too much emphasis. It represents a great advance in principle towards the satisfaction of India's ambition to bear the burden of her own defence. At the moment of writing there is reason to believe that Indian opinion does not fully appreciate either the magnitude of the progress herein foreshadowed or the pledge which it constitutes of the earnestness of British intentions in the matter of Indianization. Upon those with whom rests the responsibilities of pronouncing upon the success of this and other experiments in the direction of Indianizing the Army, a heavy burden lies; for while on the one hand the national aspiration of educated India to assume an increasing share of the responsibilities for the defence of the country must be met and satisfied; on the other hand the security of the country as a whole, its opportunities for peaceful progress along the path of reform, and the maintenance of its integrity against external invasion, are not lightly to be imperilled.

The Territorials.

Turning to the Indian Territorial Force we may notice that the constitution of the first batch of experimental units in 1921 has been satisfactory. During 1922-23 the number of battalions rose to 20, with an establishment of 14,760 and by the end of 1922 the enrolled strength exceeded 11,000. In the Punjab, the Territorial units now designated the 11th Battalions of the 1st, 13th, 14th, 15th and 17th Regiments, have been completed, except the last, which was started at a late date. The number of applicants is far in excess of the authorised strength. Similarly in the United Provinces the 11th and 12th Battalions of the 7th Rajput Infantry and the 11th Battalions of the 9th Jat Infantry and the 18th Royal Garhwal Rifles are already up to strength save the last. In Bengal the single battalion has filled to about 1-3rd of its authorized strength, while in Madras the 11th, 12th, 13th and 14th Battalions of the 3rd Madras Infantry have been filled. The 11th Battalion of the 20th Burma Rifles is also up to strength, while in Bombay the 11th and 12th Battalions of the 2nd Bombay Pioneers have been formed from the Parsi community which has entered into the movement with enthusiasm. But the 11th Battalion

of the 5th Maratha Light Infantry has failed to attract more than one company of recruits. In Ajmer-Merwara a start has been made with the 11th Battalion of the 4th Bombay Grenadiers; and in the North-West Frontier Province the 11th Battalion of the 12th Frontier Force Regiment promises to develop into a local levy of fine material. One of the great problems connected with the development of the forces is the provision of adequately trained officers. It has been found necessary in the first instance to provide regular officers for the command of battalions and companies; and the continuance or modification of this system must depend upon the degree of efficiency attained by Territorial Force officers. Among the sections of the Territorial Forces which have attained a large measure of popularity may be mentioned the University Training Corps. There are now six battalions located at Bombay, Calcutta, Allahabad, Lahore, Madras and Rangoon; while separate companies have also been constituted for Patna and Benares. While it is yet too early to judge of the military value of the Territorial Force the progress achieved in the first year of training has surpassed expectations; and there is some reason to hope that the beginning now made will constitute a nucleus out of which there may grow, in the future, a Citizen Army capable of taking its share in the defence of the country.

Throughout the period under review, the demand noticed in last year's Report for economy in military administration has been voiced with added emphasis by every section of Indian political opinion. Indeed, with the gradual alleviation of immediate anxiety connected with India's relations towards Afghanistan, and the initiation of a period of greater calm in Indian political life, this demand shows signs of developing into an *idee fixe*. On the part of the military authorities, there is not wanting a realisation of the heavy burden which the present figure of military expenditure imposes upon the finances of the country: and during the period under review, strenuous efforts have been made to effect economies. The reduction of the Army in India to a post-war footing has been continued. The only units which now remain surplus to the establishment sanctioned for India are one Indian Cavalry Regiment, two pack batteries, one field company Sappers and Miners and 12 Indian Infantry and Pioneer Battalions. These surplus units are all serving overseas and are maintained at the expense of the Imperial Government. When the situation permits of their return to India without relief, a corresponding number of units will be disbanded. In addition the military authorities, like all other branches of the Government of India are making efforts

Economies.

to reduce their expenditure in accordance with the recommendations of the Retrenchment Committee presided over by Lord Inchcape. The total military grant budgetted for the year 1921-22 amounted to Rs. 62·2 crores; by 1922-23 this figure had risen to Rs. 65·10 crores for the establishment charges, Rs. 2·13 crores for Waziristan expenditure and Rs. 52 lakhs for demobilization charges, making a total of Rs. 67·75 crores. After taking into consideration the recommendations of the Retrenchment Committee a reduction of Rs. 5¾ crores has been made in the budget for 1923-24. It is proposed in the course of the ensuing year to embark upon certain reductions in troops, but the full effect of this and other proposals for the limitation of military expenditure cannot for practical reasons be expected during that period. Could they have been fully and effectively in operation by the 1st April 1923 the net military budget for 1923-24 would have been Rs. 57·75 crores. It will thus be seen that a very real attempt is being made to give effect to the demand of educated opinion for economy in military expenditure. That India spent upon her military organisation a sum of Rs. 62 crores out of a " Central " expenditure of Rs. 204 crores, which was the Budget of the Government of India as distinguished from that of the Provincial Governments, is a fact upon which Indian opinion has begun to express itself with increasing frankness. But it is not always realised by Indian spokesmen that nowhere else in the world is the defence of nearly 320 million people secured at a cost of between 2 and 3 rupees per head.

CHAPTER II.

The Burden of Citizenship.

In last year's Statement, mention was made of the radical change effected in the administrative system of India through the introduction of the new Reforms. While it will be unnecessary to recapitulate what has been written in previous volumes regarding the scope and intention of this great constitutional measure, it will none the less be desirable to recount in barest outline some of its more obvious results.

Perhaps the most striking consequence of the Montagu-Chelmsford Reforms has been a separation of the spheres of the central and of the provincial Governments along something like federal lines. From the year 1833 to the year 1919 the administrative system of India was of the most centralised character, being vested in the hands of the Governor-General in Council subject to the superintendence, direction and control of the Secretary of State and Parliament. In the latter year, the Government of India Act was amended in such manner as to permit the gradual realisation of responsible Government in India.

The Reformed Constitution.

In practice there had been considerable devolution in matters of detail; but the Government of India, as Agent for the Secretary of State, had their say on all the major matters of Indian administration. Such a system as this presented obvious disadvantages in the case of a country so vast as India; and the increasing complexity of the administrative machine led successive statesmen to devote moreandmore attention to the problem of decentralization. The despatch of Lord Hardinge's Government of the 25th August 1911, stated that the only possible solution appeared to be "gradually to give the provinces a larger measure of self-government until at last India would consist of a number of administrations autonomous in all provincial affairs with the Government of India above them all." From that time forward there has been a steadily increasing tendency towards what for convenience is generally called provincial autonomy; that is, the gradual abdication of Parliament and of the Government of India in the sphere of provincial

The Voters of British India

5·3 Millions — Enfranchised (Shaded deep)

241·7 Millions — Unenfranchised (Shaded light)

N. B. Each square represents 1,000,000 of population

administration. A long step forward in this direction has been taken by the new Government of India Act and the rules made thereunder. In the first place, the subjects administered by Governments in India have been divided definitely into the two spheres of Central and Provincial. A number of very important administrative subjects, henceforth technically known as "Provincial" subjects, have been entrusted to the local Governments. Among these are included local self-government, medical administration, public health and sanitation, education, public works and water supply with certain reservations, land revenue administration, famine relief, agriculture, fisheries and forests, co-operation, excise, the administration of justice subject to legislation by the Indian Legislature, registration, industrial development, police and prisons, sources of provincial revenue and many miscellaneous items. But having thus provided for a large measure of devolution from the central Government to the Provincial Governments, there still remained the problem of strengthening and increasing the element of popular control. It was difficult to do this at a stroke; for in the first place some reasonable continuity of administration had to be provided; and in the next place, the popular elements upon whom responsibility would in future fall were lacking in experience and might easily in their early days have jeopardised the working of the whole administrative machine. The framers of the Reforms therefore decided to divide the function of government in the provinces between two authorities, one still amenable to the British Parliament, the other henceforth amenable to an authority now for the first time to be called into being—the new Indian electorate. Hence under the Reformed constitution now in operation, the provincial executives consist of two portions. The first is constituted by the Governor working with Executive Councillors nominated by the Crown, the second is constituted by the Governor working with Ministers selected from members of the local legislature. The former administers the class of subjects known as "reserved," and for them is responsible to the Government of India and ultimately to the British parliament. The latter deals with a class of subjects termed "transferred" and is amenable to the Indian electorate. The transferred subjects include a very large proportion of those functions of the administration upon the development of which India's progress depends. Among the most important of these may be mentioned local self-government, medical administration and public health, education, public works, agriculture, fisheries, co-operation, excise, industrial development, registration, and other minor items.

Dyarchy.

The division of the provincial executives into two halves, a plan which has come to be known as " dyarchy," was adopted because in the circumstances of India at the time of the Reforms, those in control found it difficult to devise any alternative method of combining stability with progress. In all the provincial legislatures there is now a decisive majority of elected non-officials, who have it in their power at any time to force back the Governor and his Executive Councillors upon the reserved authority which has been conferred upon them for the purpose of obviating deadlocks. Fortunately the elected members of the various legislatures have on the whole used their power in a manner both wise and temperate ; with the result that the provincial administrations have worked with far greater harmony and smoothness than was anticipated by that large body of opinion by whom the experiment of dyarchy was condemned as inherently unsound. As might have been expected in a country such as India where local conditions differ so widely from province to province, the local administrations, although starting on a common basis, have in practice developed upon somewhat divergent lines. Broadly speaking there has been a general inclination to gloss over in practice the division between the two halves of the executive. Indeed, during a time of acute political unrest it is scarcely surprising that the Heads of many provinces should have done their best to associate with the side of the Government in charge of the reserved subjects—in which law and order are included—the popular ministers who under a strict interpretation of the constitution have no responsibility in this connection. As a result, there has been a noticeable tendency for the Ministers in many provinces to work in far closer relationship with their Executive Colleagues than with the Councils to which they are in theory responsible ; so that the fact that the popular half of a provincial Government may differ from the official half, both in its relation to the legislature and in the discharge of its administrative functions, is still not generally appreciated by the public. To this broad statement there is at least one notable exception. In Madras, for example, there is such a strong identity of interests and outlook between the Ministers, who are non-Brahmins, and the dominant non-Brahmin party of the Legislature, that observers have noticed a reality in the relationship between the two, which is lacking elsewhere. That this relationship should be based rather upon a keen communal sentiment than upon any advanced appreciation of the constitutional position is, of course, regrettable. Nevertheless, its effects in producing a *régime* which approximates more closely to dyarchy than anything that

can be found elsewhere in India, are undeniable. In the sphere of the central Government, the Montagu-Chelmsford Reforms would appear to have realised the intentions of their designers earlier than in the sphere of the Provinces. Faced by an elected non-official majority, the Government of India in many aspects of their activities necessarily come under the control of the Indian Legislature; but since they are not constitutionally responsible thereto and cannot be removed by an adverse vote, the control is not complete. The very fact that this control may in practice be operative, and is exercised by a body which has no constitutional responsibility for carrying on the business of Government, renders a dangerous deadlock at any time possible. Hence the framers of the constitution conferred on the Governor-General certain powers which in grave emergency enable him to override the Legislature, and thus to secure the legislation which he deems necessary for the continuance of the administration. The exercise of these powers is naturally distasteful to the Legislature: but their employment in certain circumstances is rendered inevitable by the nature of the present transitional constitution. It says much both for the reasonable temper generally displayed by the elected majority and for the honest efforts of the administration to make the new constitution function, that situations calling for the intervention of the Governor-General's reserve powers have arisen so infrequently. During the period under review, as is pointed out elsewhere, there have been two such occasions: one in connection with the Bill for protecting the Indian Princes against attacks in the Press: the other arising out of certain changes made by the Legislative Assembly in the Budget of 1923-24. In each instance the use of these powers aroused both disappointment and resentment; and it is extremely doubtful whether they can be utilised in future, in anything but the very gravest of emergencies, without detriment to the general political situation. This fact is the more important on account of the natural, indeed, inevitable tendency for the Central Legislature to increase the scope and influence of its deliberations, at the expense of the sphere which technically has been reserved from its control. Among the most important of the conventions which have grown up in this direction is the opportunity which has been afforded, during the allocation of funds at the time of the budget, for the discussion of subjects which, though technically outside the competence of the Assembly, possess inherent connection with items

The Central Government.

for which money is demanded by the Executive. This has been particularly noticeable in the case of military and political expenditure, which, while removed from the sphere over which the Legislative Assembly can exercise its vote, are nevertheless in practice subject to its criticism and investigation through their connection with certain items over which the Assembly exercises effective control. That such a position, if a permanent feature of any constitution, would inevitably lead to the old dilemma of the irremoveable Executive and the irresponsible Legislature seems undeniable ; but in the state of transition through which India is now passing, the practical experience which the Assembly is in consequence acquiring may reasonably be deemed a substantial gain.

Local Self-Government.

In order that the advance foreshadowed in the Montagu-Chelmsford Reforms should be realised at an early date, it is very necessary that administrative capacity and civic consciousness should be developed, not merely among elected members of the legislatures, but among all those who enjoy the franchise. Only upon foundations thus solidly erected can the future self-governing India stand secure. This consideration lends particular importance to the institutions of local self-government, which in every democratic country provide at once the birthplace and the training ground of public-spirited activities for the service of the State. Unfortunately in no other branch of national life is the contrast between India and Western countries at present so marked. Both in Europe and in America these institutions are planted deep in the consciousness of the people, and upon them the structure alike of freedom and of democracy has been firmly based. But in India the situation is different. It should be noted that for centuries prior to the foundation of British rule, certain

Indigenous and Imported Elements.

indigenous institutions containing the elements of a structure of local self-government, existed in some parts of India. They seem, it is true, to have confined themselves to somewhat trivial affairs ; but they may well have played a considerable part in the life of the average citizen during the long centuries of Indian history. From the standpoint of present requirements they appear to have suffered from two principal defects. In the first place, they were largely based, not upon elective institutions, but upon hereditary privilege or caste exclusiveness : in the second place, they were in no way correlated with the institutions of superior administration. During the anarchy of the 18th century they were in large measure destroyed and the early British administrators found few traces which they were able or willing to utilise among the

foundations of modern India. It is therefore true to say that the institutions of local self-government in their present form are mainly a creation of British rule, and to this extent are alien from the spirit of the people. They have struck their roots more deeply year by year, but have displayed no very rapid progress. This is attributed in most quarters to the fact that for many years they have been kept under strict official control. It is perfectly true that so far back as 1882, a Resolution of Lord Ripon's Government laid down the principle that the object of local self-government is to train the people in the management of their own local affairs; and that political education of this sort must generally take precedence over considerations of departmental efficiency. Despite this pronouncement, there continued a natural inclination to administer the institutions of local self-government through official agency, which was highly efficient, directly on the spot, and both able and willing to relieve the non-official members of the small responsibilities actually allotted to them. In consequence, for many years, the institutions of local self-government in India have failed to enlist the services of that class of public-spirited men, conscious of an ability to wield power, upon which the system depends so largely for its success in England and in America. Hence there came into existence a vicious circle: municipalities and district boards remained apathetic because the powers entrusted to them were, as a rule, insignificant. On the other hand these powers continued insignificant because of the lack of public spirit among the members. The description which has recently been given of the Attock District Board may well stand as typical of many similar institutions under the *régime* which has recently passed away. "The Attock District Board unofficial members are mostly worthy men of old-fashioned ideas. They perform their duties up to their own standard, attend meetings well, considering the imperfect communications, assist to some extent in supervising works in their neighbourhood, and form a steady consultative body. On the other hand, few of them are awake to the needs of the time or take an active practical part in the economic and educational progress of the district; nor are they sufficiently critical of, or interested in, the executive work of the officials of the board—initiative is lacking—and the number of benefactions for the public weal is surprisingly small. Nearly every public work is dependent for its motive power on official drive, and on funds raised by taxation, or doles from Government."

Official Control and Popular Apathy.

Municipalities and Boards in India.

A brief survey of the condition of Municipalities and District Boards in India in 1919-20—the latest date for which complete statistics are available—will reveal the amount of leeway which has to be made up before these institutions can range themselves on a footing equivalent to those which exist in the West. Taking first Municipalities, it is to be noticed that there are some 739 in British India with something under 18 million people resident within their limits. Of these municipalities, roughly 546 have a population of less than 20,000 persons, and the remainder a population of 20,000 and over. As compared with the total population of particular provinces, the population resident within municipal limits is largest in Bombay where it amounts to 17 per cent., and smallest in Assam, where it amounts to only 2 per cent. In other provinces, it varies from 3 to 8 per cent. of the total population.

Work of Municipalities.

Turning to the composition of municipalities, we find that considerably more than half the total members are elected, and this proportion has been very largely increased in the course of the period under review. *Ex-officio* members are 12 per cent. and nominated 30 per cent. Elected members are almost everywhere in a majority, and outnumber the officials by nearly five to one in all the municipalities taken together. The work which is discharged by municipal institutions falls under the heads of public safety, health, convenience and instruction. For the discharge of these functions there is a municipal income of Rs. 11·41 crores (£ 8 millions), nearly two-thirds of which is derived from taxation, the remainder coming from municipal property, from contributions from provincial revenues, and from miscellaneous sources. Generally speaking the income of the average municipality is small ; the four great cities of Calcutta, Bombay, Madras and Rangoon together providing nearly 38 per cent. of the total. The heaviest items of expenditure come under the heads of conservancy and public works amounting to 17 per cent. and 14 per cent., respectively. Water supply comes to 9 per cent., drainage roughly to 6 per cent. Education has hithertoamounted to not morethan 8 per cent ; but in some localities the expenditure is considerably in excess of this average and seems generally on the increase. In the Bombay Presidency, excluding Bombay city, the expenditure on education amounts to more than 18 per cent. of the total funds, while in the Central Provinces and Berar it is over 15 per cent.

District Boards.

In view of the fact that only 10 per cent. of the population of British India lives in towns, municipal administration, however efficient, cannot affect in any large

degree the majority of the people. Particular importance therefore, attaches in India to the working and constitution of the district boards; which perform in rural areas those functions which in urban areas are assigned to the municipalities. In almost every district of British India, save the province of Assam, there is a board, subordinate to which are two or more sub-district boards; while in Bengal, Madras and Bihar and Orissa there are also union committees. The total number of district boards throughout India at large amounts to some 200, while subordinate to them are 532 sub-district boards with more than 1,000 union committees. Leaving aside the union committees, the members of the boards numbered nearly 13,000 in 1919-20, of whom 57 per cent. were elected. During the period under review, as we shall notice, the tendency has been to increase the elected members of the district boards at the expense of the nominated and the official members. In forming a conception of the nature of these boards it is to be remembered that they are practically manned by Indians, who constitute 95 per cent. of the whole membership. Further, they are predominantly non-official, for only 17 per cent. of the total membership of all boards consists of officials of any kind. The total income of the boards in 1919 amounted to Rs. 929 lakhs (£6 millions), the average income of each district board together with its subordinate boards being Rs. 5·2 lakhs (£34,000). The most important item of revenue is provincial rates, which represent a proportion of the total income varying from 21 per cent. in the Central Provinces to 51 per cent. in Bengal. The income is mainly expended upon civil works, such as roads and bridges, the other principal objects of expenditure being medical and sanitary works, and during the period under review, above all, education.

New Era in Local Self-Government.

After the momentous announcement of the 20th August 1917 had laid down once and for all the ultimate aim of British rule in India, it was impossible to allow local institutions to continue in the stagnant condition that then characterised them. In commenting on this announcement in the Imperial Legislative Council, Lord Chelmsford explained that there were three roads along which advance should be made towards the goal of self-government. Of these the first road, he said, was in the sphere of local self-government, the village or rural board and the town or municipal council. He described the domain of urban and rural self-government as the great training ground from which political progress and a sense of responsibility have taken their start; and

he felt that the time had come to quicken the advance, to accelerate the rate of progress and thus to stimulate the sense of responsibility in the average citizen and to enlarge his experience. Accordingly in 1918 a Resolution was issued by the Government of India the object of which was to indicate the manner in which they desired future progress to be made. While reiterating the principle enunciated long ago by Lord Ripon's Government, the new Resolution went on to affirm that the general policy must henceforth be one of gradually removing all unnecessary Government control, and differentiating between the spheres of action appropriate for Government and for local bodies, respectively. Hardly had these principles come into operation, when the introduction of the Reforms transferred local self-government to Ministers responsive to the Legislatures and elected by popular suffrage. Almost everywhere, the local Governments displayed themselves anxious to move in the desired direction. In last year's Statement we noticed that a review of the legislative work undertaken by the provincial councils testified plainly to a growing popular interest in the sphere of local self-government. In the Punjab, for example, the local Government took up three Bills of considerable importance, providing for the creation of Improvement Trusts, for the more effective administration of smaller towns, and for the establishment of village councils. In Bihar and Orissa, a Village Administration Bill was introduced; in the Central Provinces, the existing Municipal Act was expanded; in the United Provinces a Bill was drafted providing for increased powers of local self-government in rural areas. In other parts of India corresponding progress was noticed. This activity has been continued during the year under review as a short summary of the more important legislative measures will show.

Local Self-Government as a Transferred Subject.

United Provinces.

In the United Provinces, the District Boards Bill was passed by the council in November 1922, and came into force on the 1st February 1923. Under this measure District Boards will become entirely elective save for the reservation of two seats to be filled by the nomination of the local Government. They will also become entirely non-official, and internal and external control will be relaxed as much as possible, while the powers of taxation conferred by the Bill carry with them some measure of financial independence. During the same period two Bills were introduced to amend the United Provinces Municipalities Act. The first was a formal measure regularising the fixing of joint toll limits for cantonments and municipalities; the second a non-official Bill to reduce municipal electoral qualifications to

the level of the corresponding qualifications required for electors to the legislative council. In the Punjab, the District Boards Act has given district boards wider powers of taxation than they had before; while the reconstitution of all boards on an electoral basis, with an increased elective element for those boards already partially elected, is at present proceeding. In the same province the revision of municipal committees is being undertaken. Here the elective system is to be substituted for nomination in most of those committees where it is not already in force; and wherever it already exists it is to be further extended. In Bihar and Orissa, two very important pieces of legislation found their way upon the Statute Book.

The Punjab.

Bihar and Orissa.

The Village Administration Act provides for the creation of Unions consisting of a number of villages; and the constitution therein on an elective basis of union boards which may be given certain important duties including the control of village police. In their administrative sphere the boards can be entrusted with sanitation, medical relief, primary education and the maintenance of village roads. The Municipal Act has for its object the revision of Municipal Law in accordance with the recent demand that municipalities should become as representative as possible, with an increased proportion of elected members. The franchise has been widely extended and the sex disqualification to some extent removed. Further, direct official control is being withdrawn from the district boards, and the privilege of electing non-official chairmen has been offered to all boards except those of the backward tract of Chota Nagpur. In Bengal, the elective system is now in force in all except five municipalities, and the election, as opposed to the nomination, of chairmen is general. Here also Legislative activity continues to be marked. A Bill for the reconstitution of the Calcutta Municipality upon more liberal lines is at present before a Select Committee; another measure, non-official in its origin, dealing with village self-government did not however commend itself to the local Legislative Council.

Bengal.

The fresh infusion of life into the machinery of local self-government, due to its transference to popular control, has found expression in a certain readiness to undertake experiments. In this connection we may notice that the charge has not infrequently been made against Government that insufficient use is made of the ancient basis of local administration, the village panchayat or Committee of Elders. In the United Provinces in parti-

Experiments.

cular, an interesting attempt has been made to utilize this institution, by establishing village panchayats to assist in the administration of civil and criminal justice and to effect improvement in the sanitation and other common concerns of the villagers. The Act provides for the establishment, at the discretion of the Collector, of a panchayat for any village or group of villages, with power to deal with petty civil suits, with petty criminal offences and with ordinary cases under the Cattle Trespass Act and Village Sanitation Act. In the case of panchayats especially empowered these functions may be considerably enhanced. The first panchayats under the new Act were established in July 1921, and by the end of September 1922 they had increased in numbers to 3830. Reports on their workings vary considerably; and while individual panchayats in nearly every district appear to have won the confidence of the inhabitants, popular satisfaction with the standard of work is by no means universal. A high percentage of these bodies seem as yet to have done but little, although the successful panchayats seem likely to be not merely useful but self-supporting. The whole experiment has so far been designed and conducted on a small scale and has been confined to a very few villages selected with the utmost care as exceptionally suitable. In these circumstances, the success so far attained can hardly be described as remarkable; but a certain degree of popular interest has unquestionably been roused which it is hoped may be sustained in the future. A similar provision for the constitution of panchayats exercising judicial powers both in civil and criminal cases exists in Bihar. The powers here conferred are considerably wider than the corresponding Acts in other provinces. Hitherto no detailed information is to hand regarding the working of the system.

Revival of Panchayat System.

But in general, there is reason to believe that village self-government in India has a great future before it. Both in Bengal and in Bombay, village boards are steadily increasing in numbers year by year; although the non-co-operation campaign, with its accompaniments of misrepresentation and suspicion, has caused a temporary set-back in certain localities. This is probably no bad thing, for it has obliged the local authorities to prepare the ground carefully for the formation of new boards, by explaining to the villagers the advantages as well as the obligations associated with the system. Progress in this direction is particularly valuable as leading among the people at large to the awakening of a sense of their own responsibility for self-improvement.

Village Self-Government: Some Difficulties.

In this connection, we may notice that at present, village boards share with all other local bodies in India a most marked reluctance to tax themselves even for the accomplishment of strictly local utilities. The majority of those who serve on them are as a rule quite alive to the advantages of improved administration, but they are unwilling to face the corresponding financial obligations. There is still prevalent the curious theory that the Provincial and Central governments possess an inexhaustible purse, out of which they are only prevented by contumacy from drawing supplies to relieve all the financial embarrassments and limitations under which the institutions of local self-government at present labour. The realization that the Treasury can only pay out from what is paid in, is still rare; and it is by no means exceptional to find Indian gentlemen of eminence in their locality delivering themselves of the sentiment that it was high time that Treasury paid more and the people less towards the cost of local improvements.

Civic Improvement.

It may be noticed that during the last few years, considerable activity has been displayed by the great cities of British India in the direction of civic improvements. In Bombay and Calcutta the Improvement Trusts have continued their beneficent work in ameliorating the conditions under which the masses live and in dealing with the housing problem. In both places rising prices and shortage of funds have combined to curtail in some degree the progress which it was hoped to accomplish. But the operations nevertheless continue upon a very large scale. The scheme projected for the reclamation of Back Bay in Bombay will challenge comparison both in its magnitude and in the results which its success may achieve, with municipal enterprises almost anywhere else in the world. The Improvement Trusts up to date have borrowed no less than £10 millions, and large development schemes are being pursued hand in hand with schemes for industrial housing. In Bombay at present there are altogether 15 suburban schemes at various stages of development involving an area of more than 15,000 acres. Of these the most important is perhaps the industrial housing scheme, which provides for the completion of 50,000 tenements for the industrial classes. In Calcutta also, the scarcity of house accommodation and the abnormal increase of house rent have induced the Improvement Trust to undertake several housing schemes, some of which are nearing completion. Main roads are being constructed in the central parts of the city and the development of suburban areas is steadily proceeding. In other large cities the example of Calcutta, Bombay and Rangoon is being followed. Improve-

ment Trusts have been constituted in Cawnpore, Lucknow, Allahabad in the United Provinces; and in several of the larger cities in other parts of India. The well directed activity and continuous response to public interests of the larger municipalities stands in refreshing contrast with the apathy and poverty of municipal administration in towns less fortunately situated.

General Tendencies of the Period.

During the period under review the attention which has been directed both by the press and the public to the working of the institutions of local self-government has brought to light certain general tendencies which may be briefly summarised. Among the most interesting developments of the year 1922-23 has been the entry of a number of non-co-operators into the municipal committees in certain parts of India—a measure which, it should be noticed, is in no way discountenanced even by Mr. Gandhi's own programme. Two years ago, at a time when the movement of non-co-operation was just beginning its impetuous career, certain municipalities had been entirely captured by its adherents, with the result that the local Government found itself obliged to supersede them. But with the change which has come over the political atmosphere, the recent entry of the non-co-operators has been attended by no such catastrophic consequence. None the less the working of local bodies containing a substantial element of this complexion is of considerable importance, and not without its bearing on future happenings in a wider sphere. While political questions do not as a rule come within the purview of such bodies, the interest which has been displayed by the non-co-operators in municipal and district administration is largely tinged by their own political convictions. As examples of which reference may be made to the presentation of Municipal addresses in certain towns to prominent representatives of the non-co-operation movement, such as members of the Civil Disobedience Enquiry Committee: to the attempts in at least one city to hoist the so-called "Swaraj Flag" over the Town Hall, and to certain other manifestations of a similar nature. The available information seems to show, however, that in several quarters, at least, the introduction of the non-co-operating element has been accompanied by a distinct awakening on the part of members of local bodies, and especially of certain larger municipalities, to their obligations towards the public at large. There has been a tendency for the proceedings to become more lively; for the City Fathers to shake off the somnolence into which they sometimes fall;

Non-co-operators enter Local Bodies.

and to put themselves more closely in touch with the vital problems of the area under their administration. As symptomatic of this new spirit may be mentioned the increasing keenness which is displayed at municipal elections, the canvassing which is vigorously pursued and the election pledges which are given by candidates. It may be noted as an interesting fact that at the moment of writing, the success which non-co-operating candidates have achieved in several urban areas does not seem to be repeating itself in the case of district-board elections. In rural localities, Mr. Gandhi's followers do not bulk so largely as in the town, and the influence of landholders and men of property is frequently cast into the scale against them. But their candidature has lent to the district-board elections in certain provinces an atmosphere of liveliness, which has dispelled the apathy so generally characteristic of rural politics. It is perhaps inevitable that the increased vitality lately displayed by the members of municipal committees and district boards should be accompanied by the introduction of national politics into local affairs. A tendency has been noticed in municipal and district committees towards the formation of Hindu-Muslim cliques, which display mistrust of each other and waste time in mutual recrimination. The constitution upon municipalities and district boards of regular parties with a definite policy is of course all to the good; but when these parties are merely communal in their outlook, they tend rather to the obstruction than to the transaction of business. Moreover lines of cleavage which are not based on matters directly affecting the prosperity of the area administered, but depend solely upon communal and sectarian differences, neither stimulate an interest in the task in hand nor foster that pride in the efficiency of municipal institutions which is essential to the growth of local self-government.

Communal Divisions.

A further general tendency which becomes apparent from an examination of the provincial reports is the financial stringency which has overtaken the majority of the municipalities and district boards in India. The problem of finance has indeed dominated the sphere of local self-government during the period under review. Expenditure has increased not merely through higher prices but through expanded schemes of education and medical relief. The consequence is that in many provinces both municipalities and district boards are in debt, and without a system of rigid economy which they seem as a rule reluctant to adopt, their finances will expose them to many difficulties in the future. We have already noticed in a

Financial Stringency.

previous paragraph the reluctance of local bodies in India to tax themselves. This reluctance is particularly marked when the taxation is direct. The assessment entails considerable unpopularity and certain difficulties in collection. At the same time the universal determination to undertake schemes of expansion, in education in particular, would seem to leave municipalities and boards no alternative but to increase their revenue at all costs. As might perhaps be anticipated the gradual emancipation of municipalities and district boards from the official leading strings in which they have been kept for some years has been accompanied both by isolated acts and by general policies which are not invariably conspicuous for wisdom. There has been a great tendency to indulge in schemes for the promotion of some particularly favoured activity—generally education—at the expense of less ostentatious but equally essential services, such as health and communications. From some provinces it is reported that municipalities have evinced a desire to dispense with their health officer and have failed to recognise the necessity for better sanitation. Roads, whose upkeep is always a heavy item of district board administration, are showing grievous signs of neglect in many parts of India. Fortunately, these remarks are by no means of universal application. In Bengal in particular, the district boards are displaying a keen interest in sanitary measures; while in certain other provinces they are no less alive to the importance of maintaining adequate communications. In general it may be remarked that the existing defects in the administration of municipal and local boards are such as will cure themselves, when the first flush of inexperienced enthusiasm has passed away. There can be little doubt that the plant of local self-government in India is striking its roots deeper year by year, and those roots have been nourished by the transfer of the whole subject to popular control in a manner which gives reason for hoping that their future in the development of India towards Dominion status may be great indeed.

Distribution of Expenditure.

A brief review of the various provincial activities in the sphere of local self-government during the period with which we are concerned may well conclude this section. In the United Provinces, there was a notable increase in the total number of municipal meetings, although a considerable number proved abortive for want of a quorum. The municipal expenditure rose by Rs. 28·5 lakhs (£190,000) from Rs. 118·8 lakhs (£790,000) to Rs. 147·4 lakhs (£980,000), while the total municipal income rose

United Provinces.

from Rs. 112 lakhs (£740,000) to Rs. 126 lakhs (£840,000). In the sphere of education the work which was done by the Boards showed a distinct tendency to increase. No fewer than 32 boards expressed their willingness to introduce compulsory education for boys, and the expenditure on educational heads increased from Rs. 9·7 lakhs (£64,000) to Rs. 11·3 lakhs (£75,000). Unfortunately the same statement cannot be made of sanitation, which is a subject which rarely rouses enthusiasm. The advice or warnings of technical advisers are, it is said, too often dismissed with a perfunctory resolution or even entirely neglected. Further, the condition of roads continues to deteriorate, and in their straitened financial condition municipalities show a tendency to economise upon the upkeep of communications, which at the best of times is a very costly and somewhat "uninteresting" item of expenditure. Municipal water-works again are almost all run at a loss, and very little attempt is made to check waste. Indeed, the waste of water which is permitted is pronounced by the authorities to be a serious reflection upon the efficiency of the local bodies. So far as the District Boards are concerned, a new era will open with the introduction of the District Boards Act to which we have already referred. The circumstances under which this departure is made will not be easy. The boards are at present half-way through a big programme of educational expansion which they will not have the money to complete. The contribution of Government will be reduced at an early date, and unless they tax themselves, they cannot expend in sanitation or communications. The remedy is of course for the Boards to tax themselves; but, as has been mentioned, it will probably prove to be one they are reluctant to apply.

The Punjab.

In the Punjab, the municipalities shared in the general financial stringency; and as a result of the growth of expenditure on various services the total expenditure of municipalities exceeded the total income by Rs. 7 lakhs (£46,000). On the other hand, there has been a general awakening of interest in municipal administration, and several of the municipalities have made real attempts to purge their employees of corruption. Advantage has been taken by the local Government of the powers delegated under the Devolution Act to simplify the procedure under which municipal committees may come forward for loans to finance large projects of importance. Among the municipalities which have made progress in such large projects may be mentioned that of Multan, which during the period under review has started a water-works secheme, a drainage and an electric scheme. Everywhere educational activities are being keenly

pursued, and in several localities compulsory primary education has been introduced. Sanitation is also not neglected; and a notable innovation has been the engagement by certain municipalities of paid lantern lecturers to impart instructions to the public in sanitary matters. There is a certain interest also taken in town planning, and municipal adornment, due mainly to the enthusiasm of individuals, but full of promise for the future. The Punjab district boards have also shared in the financial difficulties of the municipalities, and in some places have made courageous attempts to explore fresh avenues of taxation. Profession taxes have in certain localities been imposed, on those who do not pay land revenue, and in the Ambala district such a tax was successfully inaugurated in the face of serious opposition. It seems unlikely, generally speaking, that District Boards in the Punjab can attain solvency without drastic economy in expenditure. For such economies, educational expenditure would seem to afford the most scope. In this connection it should be noticed that while the expenditure on the important heads of medical relief and communication has not increased as prices have risen, expenditure on education has increased fourfold within the last five years; and what was formerly regarded as a reasonable proportion—25 per cent. of the net income—is now quite commonly surpassed in the enthusiasm for educational expansion. Generally speaking, the working of district boards in the Punjab shows encouraging signs of increasing efficiency, and when once the present financial stringency can be overcome, the way should be clear for future progress.

North-West Frontier Province.

In the North-West Frontier Province, as has been remarked in previous years, the institutions of local self-government are somewhat of a foreign growth. Certain of the municipalities are still reported as lax in the discharge of their responsibilities, and display slight interest in the affairs under their control. But during the period under review, an innovation was made in the constitution of municipalities by the election of non-official Vice-Presidents from among the members of those bodies. In the district boards, there has been a marked improvement over the previous year in the attendance of non-official members. This is attributed to the introduction of the system of travelling allowances; but whatever be the explanation, it is at least a hopeful development. Among the notable activities of the District Boards may be mentioned the opening of cheap grain shops; the encouragement of primary education, the improvement of cattle breeding, and the sinking of wells. Generally, the expenditure of the district

boards in the North-West Frontier Province has followed the main lines which have already been described in outlining the activities of similar bodies in other parts of India; the expenditure on education was twice that on public works; on the other hand, the outlay on repairs to roads was scarcely equal to one-third of the total expenditure on the latter head. The financial condition of the boards continues to be unsatisfactory; and without the aid of Government grants, they are unable to meet their estimates in education, veterinary and medical. The time has therefore arrived here as elsewhere when local bodies must take serious steps to deal with the financial situation and introduce drastic measures of economy. They will also have to consider the possibility of increasing revenue by extra taxation whatever the resulting odium may be.

Bombay.

In Bombay, as already noticed, there has been, during the last two years, considerable progress in the liberalization of the constitution of all municipal bodies. In the year 1920 some 75 out of 157 municipalities possessed two-thirds-elected as against one-third-nominated members; but since that time, the nominated element has been reduced to one-fifth; all Presidents are now elected; and the municipal franchise has been considerably widened. Here, as elsewhere in India, financial difficulties loom large: and almost everywhere, the municipalities of Bombay are struggling with the difficulty of balancing their budgets. The policy of appointing a non-official President has been extended both to the district and sub-district boards during the period under review, and a large number of non-officials have proved very successful in the discharge of their duties. A Bill has recently passed through the Bombay Council which will increase the powers of the district boards in the sphere of taxation; will confer upon them greater authority in respect of sanitation; and will considerably widen the franchise upon which they are based. The elective element is, moreover, to constitute three-fourths of the total strength of members. The development of village self-government is also proceeding as a result of an Act for constituting and increasing the powers of Village Committees.

Madras.

In Madras also the institutions of local self-government continue to progress in an encouraging manner, the number of sub-district boards and municipal councils is alike increasing. While the average imposition of taxation per head of population for local Government purposes is still only about 4 shillings, expenditure upon major schemes such as water-works, the expan-

sion of educational institutions and sanitation, continues to be a marked feature of the activities of this area.

Bengal.

In Bengal, there are now only five municipalities which do not elect their own chairman, and interest both in the transaction of municipal business and in the elections to municipal councils continues to increase. Despite the very low average incidence of taxation, which amounted only to Rs. 2-11-0 the municipalities of Bengal are as a whole in a comparatively prosperous financial condition. About one-third of the 115 municipalities closed the year with a balance exceeding one-fourth of their total expenditure; and only in 13 cases were the balances insufficient to meet outstanding liabilities. The amount spent on education was about 3½ per cent. of the municipal income as against 4·2 per cent. in the preceding year. The Bengal municipalities have directed considerable attention to the improvement of sanitation. Steps have been taken to prevent the spread of cholera and small-pox, efforts have been made to deal with epidemics such as influenza; and an additional vaccination staff has been engaged. In many cases, the efficiency of municipal administration is still handicapped by an unwillingness to employ powers amply provided for the collection of rates. It has been noticed that in certain localities, municipal commissioners themselves are among the defaulters and are often too ready to intercede for other defaulters among their own constituencies. In one division of the Bengal Presidency, it is stated that 7 per cent. of the current demand is in arrears as compared with ½ per cent. in England; and almost three-fourths of the collections are realised during the last quarter of the year. So far as district boards are concerned, a further stage has been reached in the withdrawal of official control. All district boards in Bengal now enjoy the right of electing their own chairman; and in 20 boards the elective elements have been raised from one-half to two-thirds. As in the case of municipalities, the district boards of Bengal have a keen appreciation of their obligations in the matter of public health. But here as elsewhere the inadequacy of their funds is a constant handicap. There has been an interesting tendency during the year under review to cut adrift from the wrong policy of dispensary-building of the old expensive type, with the realization that means for affording relief to the masses can be quickly multiplied by the construction of dispensary buildings of the cheap model on which private dwellings in rural areas are constructed. Among the measures taken under the auspices of the district boards for the improvement of public health may be mentioned the establishment of

anti-malaria leagues; the enrolment of unpaid voluntary workers in the anti-mosquito campaign and the distribution of quinine; the subsidization of medical practitioners; and the organization of definite campaigns for enlisting the co-operation of the public in the suppression of such scourges as cholera. Considerable progress has also been made in the expansion of education, the sum contributed by the district boards from their own funds rising from Rs. 9½ lakhs (£63,000) to Rs. 11·3 lakhs (£75,000)—an increase mainly due to the greater attention paid by most district boards to the expansion of primary education in rural areas. Female education has made satisfactory progress during the year, while technical and industrial education continue to receive special attention. So far as financial resources are concerned it may be mentioned that the receipt from all sources amounted to Rs. 122·7 lakhs (£818,000), against Rs. 129 lakhs (£860,000) in the previous year. There was also a corresponding decrease in the total disbursements which fell from Rs. 130·7 lakhs (£871,000) to Rs. 122·7 lakhs (£818,000).

Bihar and Orissa.

In Bihar and Orissa, as has already been mentioned, one of the leading features of the year has been the development of the system of union committees under the Village Administration Act. All union committees are to be elective, and it is hoped that with the extension of the system the rural population will realise that these bodies are both created for their benefit and are subject to their control. The development of such small unions for local self-government should contribute largely to the political progress of the country, and it is hoped that within a short period a network of responsible governing bodies will exist within every district. The number of district boards has undergone no increase; but their work shows signs of greater efficiency through revived interest due to the new *régime*. Their chief problem is still that of finance; for the existing revenues of most boards are not sufficient to meet the ever-increasing demands upon their purse; while Government are not in a position to supplement the deficiency by grants. As is natural, there are large and justifiable demands for the expansion of medical relief and the development of primary education; and the Bihar Legislative Council has passed resolutions advocating increased expenditure upon these heads, as well as upon the development of industries and the improvement of water supply. The district boards are already, it is understood, devoting their earnest attention to these problems. During 1920-21, the income of the district boards amounted to Rs. 1·12 crores (£746,000) and their expenditure to Rs. 1·06 crores (£706,000), as compared with

Rs. 1·23 crores (£820,000) and Rs. 1·20 crores (£800,000) for the previous year. The heaviest item of expenditure was that on public works, which amounted to 55 per cent. of the total. Education came next with nearly 18 per cent. and "Medical" was close at hand with just under 9 per cent.

Central Provinces.

In the Central Provinces, the continued reduction of official members and nominated chairmen, together with the wider powers of control given to local bodies under new Local Self-Government Act, will, it is hoped, exercise a marked influence upon popular interest, and lead to an increased appreciation of responsibility towards the general public. Here as elsewhere, the municipal and the district councils alike require development on the financial side before they can fulfil the tasks lying before them. They are still mainly dependent upon government grants, but in view of the existing financial stringency, they must in the near future expand their local sources of revenue if they are to make proper progress. This remark is particularly apposite in the case of education. In this direction the cost to Government is very disproportionate to the contribution of the local bodies, being far in excess of what may be regarded as the equitable proportion of one half.

Assam.

In Assam the elective system is now in force in 16 municipalities, only three of which at present have an official chairman. Here as elsewhere in India, financial problems are a source of great difficulty. The collection of taxes is not realised with due efficiency and until these collections are put upon a proper footing, the resources of the municipalities must continue embarrassed. The importance of providing and maintaining a good system of water supply, of drainage and of conservancy is not everywhere realised. During the period under review, the constitution of local boards has been changed. Election to these bodies has been placed on a more popular basis and their franchise is now identical with that of the legislative councils. Certain localities continued, during the year under review, to attach importance to industrial development. Technical schools were maintained, and demonstrators employed to teach weaving, carpentry, cane and bamboo work. The elected element among the board members are commended as having discharged their duties with tact and efficiency; and the prescribed minimum number of meetings during the year has in all cases been held. The political agitation characteristic of the earlier portion of the period under review has naturally exercised a somewhat cramping influence upon village authorities; but on the whole,

it is reported, the good sense of the inhabitants of the province failed to justify the hopes of the non-co-operators.

Law and Order.

Having thus briefly described the working of the institutions which lie at the root of progress towards self-government, we may now proceed to consider the machinery by which society, in securing itself from disorder and anarchy, makes this progress possible. The principal arm of the State for the preservation of peace among the 247 millions of persons who inhabit British India is the Police Force. This force consists of some thousand officers of the rank of Deputy Superintendent and upwards, and a little over 200,000 officers and men of lower grades. In addition to the Civil Police, there are some 30,000 officers and men of the Military Police located in "backward tracts" of whom more than half belong to Burma.

The Police.

Perhaps the most salient characteristic of the Police Force of India is its cheapness. That it is run on very economical lines will be plain from the statement that whereas the average yearly cost of a policeman in the counties and boroughs of England and Wales is just under £270, the average annual cost of the Indian policeman varies from £38 (Rs. 575) in Burma to £19 (Rs. 294) in the United Provinces. The pay of the force is fixed at a figure correspondingly low. The salary of a sub-inspector varies from Rs. 116 per mensem in Bombay to Rs. 97 per mensem in Burma; while the pay of the constable varies fron Rs. 21 per mensem in Bombay to Rs. 17 per mensem in Bihar and Orissa. Indeed, the incidence of the cost of police protection upon the Indian tax-payer amounts to less than one shilling per annum. It is not therefore surprising that the constabulary in general, while remarkably efficient considering the money spent upon them, must be graded much below the level of the corresponding Force in England. Roughly half the policemen in India are illiterate. In certain provinces indeed, the average of literacy is comparatively high, for in Madras 91 per cent. of the Force can read and write. But in other provinces the figure falls far below this level; and until it can be raised to the same standard it is idle to expect much greater efficiency than is at present to be found. The Administration is fully alive to the necessity of bettering the pay and prospects both of officers and constables and thereby attracting a better class of men to service in the Force. During the last few years measures have been taken to staff the intermediate ranks by the direct

Economy *versus* Efficiency.

recruitment of men of good family. This is already producing beneficial results upon the morale and integrity of the police. So far as the rank and file are concerned, within the last two years schemes for providing them with suitable accommodation, for maintaining a more adequate leave reserve; and for increasing the rewards for good service, have been put into operation almost everywhere in India. In addition, various special concessions, such as outfit allowances, uniform allowances, and increased allowances payable to candidates under training, have been granted in various provinces. Before this was done, shortage of recruitment was causing anxiety to the authorities, inasmuch as small pay, heavy work, and leave difficulties were discouraging suitable men from joining the service. At present, however, the reports from the various provinces show that the police cadres are beginning to fill up. Discipline shows steady signs of improvement and departmental punishments are on the decline.

Peculiar Difficulties.

This state of affairs is all the more gratifying when it is considered that the position of the police in India is somewhat peculiar. Even in the most law-abiding and advanced of lands a force run on lines so economical might well encounter difficulties in the discharge of its duties. But in India there are certain supererogatory disadvantages which must be overcome. In the first place, there is an extraordinary diversity of race, language and customs among the people who inhabit British India. At one end of the scale there are to be found the highly civilised inhabitants of great cities, whose standard of life and whose ingenious criminal population will in every way bear comparison with those of the most advanced Western countries. At the other end there stand wild and almost savage tribes, who delight to indulge in human sacrifice and other undesirable practices surviving apparently unchanged after thousands of years. In illustration of much that might well surprise a Western observer, it may be mentioned that the superstition of human sacrifice is by no means confined to backward communities. Even during the period under review, serious riots have been caused in certain parts of India by the belief that children were being kidnapped by strangers for sacrifice at the opening of bridges, the foundation of buildings, and even the firing of foundries. Among communities so conservative and so heterogeneous there necessarily exist acute differences of custom and creed which may at any time precipitate a violent conflict between those who hold them. In India popular excitement is readily roused, particularly on religious questions, and nothing is more remarkable

than the celerity with which a community of apparently peaceful and law-abiding persons may be metamorphosed, within a few hours, into a dangerous and bloodthirsty mob. Moreover, in a population so large, the major portion of which is engaged in comparatively primitive pursuits, there are naturally to be found a considerable number of persons of bad livelihood. Crime of all kinds consequently flourishes; and in suppressing it the police find more than sufficient scope for their available energies. But they are considerably hampered by what may be termed for convenience the second of the peculiar difficulties arising out of Indian conditions. Throughout India, the sense of civic responsibility is still curiously undeveloped. While the laws are based upon the assumption that the man in the street is actively on the side of justice and order as against the criminal, the fact remains that one of the most formidable obstacles in the way of successful police work is the apathy of the general public. In the eyes of the vast majority of the inhabitants of the British India, the State is something wholly external to themselves; a mysterious organization which owes them certain duties—chief among which they count protection—but to which they have no obligations beyond the payment of certain dues. In their eyes the machinery of the administration ought to function automatically. If it does not, they consider that they are being cheated. They have no conception of the State as being something belonging to themselves; something of which each individual is an integral part; something which has claims upon their co-operation, upon their time and upon their energies. And since the average Indian does not distinguish between the general organization of the society in which he lives, and the Administration in power for the moment, he is prone to visit upon the police the brunt of any general grievances which he may cherish against the Government. Public opinion therefore tends to look upon the constable as a symbol of oppression and restraint, and refuses to believe that strong measures in the suppression of disorder, equally with clemency in dealing with individual offenders, may spring from honest striving after the public good. Unfortunately this prejudice is not absent even from such responsible sections of the population as those who enter the local legislatures: and there has been a marked tendency in certain provinces for the members of the legislative councils to demand a reduction both in the cadre and the pay of the police. No argument is necessary to prove the serious implications of such attempts to lower efficiency.

Popular Apathy.

In addition to these permanent factors operating to the disadvantage of police work in India, there have been during the last three years certain temporary influences of an adverse nature. As has been pointed out elsewhere, one effect of the non-co-operation campaign has been to inoculate the masses far and wide with a contempt for constituted authority. The constant declamations against law and order of the emissaries of Mr. Gandhi, and the advocacy of resistance—even non-violent resistance—to the existing administration, would probably of itself have sufficed to encourage law breakers and to place a premium upon disorder. But this tendency was further enhanced by the fact that many ignorant and credulous persons mistook for weakness the tolerance displayed by Government in their dealings with honest exponents of the non-co-operation doctrine. So much was this the case that in many parts of India, during the year 1921 and the early months of 1922, it was actually believed that the administration no longer possessed power to enforce its will. There was thus a general relaxation of the restraint upon violent crime and unlawful activities which the forces of order normally impose; and a dangerous narrowing of that margin, at the best of times none too wide, which divides desire from accomplishment in the minds of those whom fear of the law alone prevents from indulging in designs at the expense of their peaceful neighbour. Of the suffering which resulted, it is unnecessary to speak in detail. It will suffice to quote from the Report of the Inspector-General of Police of the Bombay Presidency, who remarks: "If some of those who were responsible for the Non-co-operation movement could have studied the crime reports that came weekly from the various parts of the Presidency, the conviction would have been forced upon them that their activities, so far from emancipating their country, resulted in causing untold misery to hundreds of their countrymen whose cause they professed to espouse. The same tale is told in the Reports of the Punjab and Central Provinces and, I feel convinced, will be repeated from other parts of India."

Non-co-operation.

As will be gathered from what has already been said, the variety of work which the Indian police are called upon to perform, the many different classes of criminals with whom they are obliged to deal, and the peculiar difficulties imposed by the conditions amidst which they have to carry on their duties, make it extremely difficult for them to satisfy every one. Their critics, who are neither few nor tolerant, make little allowance for their shortcomings, and give but scant credit for much excellent work. The policeman, it must regretfully be stated, has a

bad name in India: he is accused both of tyranny and of corruption. It would indeed be strange if these faults were entirely absent from a force which is still largely illiterate, none-too-well paid, and wholly unstimulated by healthy public opinion; but that they are steadily diminishing is the opinion of all competent observers. The remedy lies in the hands of the general public, which cannot expect much improvement, so long as it maintains its present attitude of critical apathy.

Police and Public.

Until the police of India, like the police of England, enjoy the whole-hearted support of the average citizen; until their efficiency becomes a matter of pride to their fellow countrymen; and until the supreme importance of their function is adequately appreciated, India can never possess the kind of force she needs, but must content herself with that which the civic sense of her population happens to deserve. The existing distrust between police and public, though not as marked at the moment as in times past, is still sufficiently regrettable. Moreover, in times of political excitement, when the policeman and the demagogue are brought directly into conflict, the former necessarily suffers in popular estimation. In India, as in every other country, the professional exponent of things which are, and the earnest advocate of things which ought to be, rarely appreciate the importance of each other's place in the scheme of creation. Somewhat naturally therefore the non-co-operation campaign, in which the police bore not merely the brunt of unpopularity but the major portion of the attacks levelled against the administration, was responsible for widening the gulf between the police and the public. The constabulary were thrown more than ever on their own resources, and even in their relations with the professional criminal they ceased for the moment to enjoy such a restricted measure of popular support as normally falls to their lot. In the circumstances, the general conduct of the force throughout India cannot be too highly praised. In face of increasing unpopularity, imminent danger, and social boycott of a kind which western countries can scarcely understand, the police as a whole remained true to their salt. The number of resignations was inconsiderable; the spirit displayed in the discharge of duties normally unpleasant and frequently dangerous, remained the admiration of all unbiassed observers. Despite attempts to seduce them from their allegiance by religious fulminations: despite constant obloquy and sedulous abuse, the force was practically uninfluenced either by overt threats or by the more insidious force of persuasion. But in common fairness it was found necessary during the period under review to protect

them against those who desired to incite them to disaffection and disobedience, and a measure known as the Police (Incitement to Disaffection) Bill was passed by the Central Legislature to prescribe certain penalties for this offence.

During the year 1921-22 as was noticed in last year's report, the Police system of India was exposed to very severe strain. From every province came complaints that work of a normal kind was seriously hampered, not only by the aggravated complications of the political atmosphere, but also by the antagonistic attitude adopted by the public. The criminal classes naturally took advantage of the situation, with the result that offences of the more violent kind increased to a level hitherto unknown. During the early months of 1922, despite the falling prices and sustained wages which under normal circumstances might have been expected to reduce the statistics of crime, this unfortunate state of affairs persisted. It may here be mentioned that in many parts of India one of the most formidable problems with which the police are called upon to deal is that of dacoity or gang robbery. Bands of depredators, composed commonly of men of violent character and bad livelihood, combine to rob and murder, in circumstances of almost inconceivable brutality, harmless villagers or helpless travellers. Having committed the crime, they disperse to enjoy their booty, only to rally once more when another opportunity presents itself. Favoured by the difficulty of communications, the immense areas, and the multitudinous jurisdictions which characterise many parts of the country, they frequently escape retribution. Two or three successful enterprises of this kind suffice to gain for the leader of the band the reputation of a local Robin Hood, in whose achievements all but his immediate victims seem to find some perverse satisfaction. Hence, apart from the fact that these dacoits terrorise their victims by atrocities so horrible that few villagers can be found to give evidence against them, the general lack of sustained public support for the activities of those responsible for law and order invariably results in considerable local sympathy for the outlaws. The constant warfare thus raging between anarchy and security is directly affected by the general political situation. One example, which may stand for many, will make this clear. Prior to the outbreak of the non-co-operation campaign, the police in the United and Central Provinces and in Central India, regions where dacoity is particularly prevalent, had made considerable progress in the suppression of this evil. But as a result of the general

Dacoity.

relaxation of restraint, due to the non-co-operation movement, and the pre-occupation of the police with other forms of crime, dacoity once again raised its head in 1921 and 1922. In the United Provinces, for example, although the number of dacoities throughout 1921 was almost unprecedentedly high, the first six months of the year 1922 showed nearly double the number of cases reported during the last six months of 1921. In Central India, during 1922, nearly three thousand dacoits are said to have been at large, the property involved in their depredations being valued at nearly two lakhs of rupees. Fortunately, during the latter portion of the period 1922-23, the situation changed. The explosion of the non-co-operation movement and the resulting amelioration of the political almosphere led to a certain rally of public opinion on the side of the police. The force, being freer than at any time during the previous two years to devote itself to the suppression of crime properly so called, and being further assisted by the growing disposition among the public to favour constituted authority, were able once more to gain the upper hand over professional criminals. In dealing with decoits in particular, the police displayed, during the period under review, as in former years, the greatest possible gallantry, while the increasing resistance offered by villagers when attacked by brigands is a symptom of growing confidence in the strength of law and order.

Unpleasant Duties.

During 1922 23, the police force of India found itself obliged to undertake certain special duties which would occasion surprise to the constabulary of other countries. Perhaps the most thankless and unpleasant was that of opposing and dispersing the bands of Akali Sikhs who, chanting religious songs and vowed to raise no finger of violence, advanced unflinchingly against the cordons which bared the road to Guruka-Bagh. The Indian press resounded with praise of the Akalis for their marvellous exhibition of self-restraint; but few indeed were the writers who did justice to the police for their behaviour in circumstances which tried to the uttermost their loyalty, their discipline, and their good temper. Before long as fortune willed, those who had been loudest in their condemnation of the force for the "beatings of Guruka-Bagh" were driven to acknowledge that even a policeman might have his uses. Mention has been made in another part of this statement of the tension which has recently grown up in certain parts of India between the Hindu and Muhammadan communities. During the last two or three years, as a result of the efforts of the non-co operation leaders to combine Hindus and Muhammadans upon a common platform in opposition to Govern-

ment, there has been a marked and gratifying absence of religious riots. The success of the leaders of both sections in producing the semblance of a good understanding between their followers had been so pronounced from 1919 to 1922, that statements were frequently made in public press to the effect that Hindu-Muslim unity, at least in regard to "national" matters, had been finally achieved. With the weakening of the bond which held Hindus and Mussalmans together for the moment—a bond which apparently consisted largely of race-hatred against the British administration—the claim so boldly advanced has been proved premature by the most brutal of facts. In September 1922, in consequence of a dispute arising out of the Muharram procession in Multan city, a very serious riot occurred between the Hindus and the Mussalmans of that locality. The police promptly intervened, and to their devotion and courage must be ascribed the fact that the casualties were fewer than might have been anticipated. The upshot of the Multan affair, which has done much to revive communal differences not merely throughout the Punjab, but indeed throughout the whole of India, has been to secure a certain, if still halting recognition on the part of their critics that the Police Force is sometimes, at least, the enemy of disorder and not invariably the oppressor of the private citizen. In another part of India, there occurred about the same time an incident illustrating the narrow margin which alone divides anarchy from order. In the Gudem hills, formerly a part of the Vizagapatam district of Madras, but now in the Rampa sub-division of the Agency Tracts, a man named Raza, a native of the Kistna district, who had been living in this locality for the past two years in the odour of sanctity, suddenly collected a band of malcontents and raided three police stations, secured 26 carbines and a large quantity of ammunitions. He then proclaimed himself king and declared war on the Government. His followers, who at one time seem to have reached 200 in number, had arms varying from sporting guns to bows and arrows. Taking advantage of their superior mobility and knowledge of the country, which consists of steep, jungle-covered hills, they entirely baffled the local police. Their leader Raza, both on account of his reputation for sanctity and his successful opposition to Government, enjoyed considerable local support from the villagers in whose area he dwelt. The police who were despatched to operate against him received little or no assistance from the populace. Handicapped by the difficult nature of the terrain, they were subjected to a series of clever ambushes and on

Communal Riots.

Brigandage.

one occasion sustained a severe reverse, in which two promising young English officers and two Indian constables were killed. No impression could be made on this small rebellion until a considerable body of special police from Malabar had been brought to the Agency Tract. In the first week of December 1922 two engagements were forced upon the gang with the result that it was broken up. But the whole incident is instructive as showing in how slight degree the police can rely upon the active support of public opinion in the discharge of their task of maintaining law and order.

Anarchy.

In completing our account of this section of administrative work, we may notice that during 1922 as throughout 1921 anarchical crime was noticeable for its absence. It would be premature to conclude that the old party of anarchy in Bengal has either disappeared or has abandoned its designs. But the spirit of modern India is changing, and young idealists can now find an outlet for their energies in directions more profitable both for their country and for themselves than the organization of anarchical outrage. The idealism characterising some aspects of Mr. Gandhi's movement must certainly not be deprived of its share of the credit for the achievement of this state of affairs. It should also be noticed that there is a promising growth of public opinion against anarchic enterprises. The help afforded throughout the year by individual citizens in Bengal in bringing dangerous criminals to justice also serves to show that the sense of civic responsibility in some parts, at least, of India is on the increase.

Jails.

A necessary part of the general machinery for the protection of society is constituted by the Jail system. In India there are 42 Central Jails, 179 District Jails, and 552 subordinate jails and lock-ups. The daily average prison population is some 116,600, of whom the bulk come from the agricultural labouring class, and 65 per cent. of the convicts are incarcerated for terms not exceeding six months. As a whole, the persons are extremely healthy, the average death rate per cent. being 1·97 as compared with 3 per cent. for the free population. All told, the expenditure on prisons amounted in 1920—the latest year for which complete statistics are available—to Rs. 153 lakhs, against which must be set Rs. 20 lakhs earned by the prisoners in printing, oil pressing, brick-making, weaving and paper-making.

Since jail management falls in the provincial sphere, subject to all-India legislation, it is conducted by local Governments in fashions which

differ widely according to local conditions. As has been noticed in previous years, there has been in the past too little intercommunication between the agencies responsible for this work, with the result that local administrations do not always derive the benefit which should come from pooling experiences. The advisability of proceeding on certain general principles of uniform application, while perhaps insufficiently realised in the past, has recently been emphasized by the publication of the very valuable report of the Jails Committee. This contained the first general survey of Indian prison administration which had been made for 30 years; and its recommendations are likely to give rise to far reaching developments. In general it laid stress upon the necessity of improving and increasing the existing jail accommodation, of recruiting a better class of warders, of providing education for prisoners and of developing prison industries so as to meet the needs of the consuming departments of government. Among its other recommendations may be mentioned the creation of childrens' Courts; the adoption of the English system of release on license in the case of adolescents, and the separation of civil from criminal offenders. The Committee in commenting upon the existing present system of India noticed a general opinion that the Indian jails did not exercise a good and healthy influence on their inmates and that as a whole the reformative side of the system was too little developed. Accordingly the Committee recommended the segregation of habituals; separate accommodation for undertrial prisoners; the provision of religious and moral instruction; the institution of the "star" class system in jails and the abolition of certain disciplinary practices which are liable to harden or even possibly degrade the prison population. Strenuous efforts have been made, during the period under review, to initiate changes of procedure in the direction of the recommendations of the Jails Committee. Unfortunately, many of the recommendations involve the provision of new jails or special institutions and in consequence considerable expenditure; owing therefore to financial stringency, many projected improvements have to be kept in abeyance. There are, however, reasons for believing that the problem of overcrowding is at present not so serious as it was when the Jails Committee were conducting their investigation. In some provinces there are still complaints that the population of the jails exceeds the accommodation available; but in the major portion of India, the congestion has to some extent been relieved. At the same time, judging from the slowness with which the local governments are able to remove convicts from the

The Jails Committee.

Andamans it would appear that many administrations still find it difficult to provide the necessary additional jail accommodation which will be required by the decision to abandon Port Blair as a Penal Settlement. But much has been done to improve jail conditions. The Government of India have for the most part confined their attention to laying down certain general principles in regard to which uniformity is possible in the various provinces; or to recommending to local Governments acceptance of principles which can be adapted to local requirements. Local governments in their turn have not been slow to respond. Fresh rules have been drawn up on many matters such as jail punishments, jail offences, whipping in jails and the like. Solitary confinement has been abolished as a jail punishment: endeavours are being made to secure a uniform system for the employment of convict officers: the remission system has been improved. Attempts are being made to teach trades which will prove helpful to the convict on release and will assist him fighting the battle of life and becoming a useful citizen. In order to encourage the free interchange of ideas among those directly in charge of jails, a conference of Inspectors-General of Prisons was held in Delhi during the cold weather of 1922-23; and such conferences will in future be held not less than once in every two years. It is hoped that this plan, while leaving local administrations discretion in matters of detail, will secure their common observance of such general principles as those laid down by the Jails Committee and accepted by Government.

Action upon the Recommendations.

It would be a mistake from what has been said to assume that the reformative side of prison work in India has been neglected. Such is far from the truth. In point of fact during recent years increasing attention has been paid to the ameliorative treatment of criminals, with the object of reclaiming them for decent society. Particularly in the arrangements for youthful prisoners, India has for some years been following the lines laid down by modern administrations in other parts of the world. The Borstal system is flourishing in several provinces and excellent work is being done by boys in industrial classes. Many of the provincial governments are devoting particular attention to the problem of the juvenile offender and the institution of Children's Courts is finding increasing favour in the eyes of the more important administrations. It may be mentioned in this connection that both Bengal and Madras have passed Children's Acts, doing away with the penalty of imprisonment in the case of children

Reclamation.

under 14, and providing a machinery by which children, other than those belonging to a criminal tribe, who show a tendency to lapse into crime, may be removed from pernicious surroundings and handed over to approved custody. But in India as elsewhere, the ultimate success of any movement for reclaiming criminals, whether youthful or adult, must remain in the hands of the general public. Valuable work is now being done for discharged prisoners by the voluntary welfare organizations which exist in various parts of India. The Salvation Army makes a special point of caring for these unhappy men and of providing a respectable livelihood for prisoners conditionally released. Its work, the value of which is perhaps insufficiently realised by the public at large, deserves the utmost sympathy and support. In Bombay, Madras and other large centres, Released Prisoners Aid Societies continue to perform a valuable function. They find their principal work in discovering employment for those prisoners who seek it; restarting men in their old business; providing them with food, clothing and shelter; and generally assisting to establish them again as useful members of society. In addition, they make efforts to reclaim habitual offenders from a life of crime, and do their best to prevent casual offenders from lapsing into habitual offenders. At the same time they endeavour to organise and focus public opinion, for the purpose of securing that sentences of imprisonment shall be passed only in cases which cannot adequately and properly be dealt with in any other way, such, for example, as by placing offenders under the supervision of probation officers appointed by the Societies themselves. Work such as this, although eminently valuable from the standpoint of society as a whole, wins but little sympathy and support from the general public. Fortunately, during the period under review, there have not been wanting signs of a slightly increasing interest in the welfare of the prison population. Honorary visitors have been forthcoming for appointment in many places; and the ministration of Muhammadan and Hindu preachers to the jail population is everywhere spreading. This voluntary work, which affords a splendid opening for true patriotism, is at present carried on in almost every locality by a small number of devoted persons. But its mere existence leads to the hope that by degrees the public at large may be roused to interest in the reclamation of prisoners and the amelioration of their condition both before and after release. Should this hope be realised, the work of the administration in the Jail Department will be rendered not merely much easier but infinitely more effective.

"Political Prisoners."

Particular interest has centred round the treatment of offenders convicted of offences in pursuance of political objects. The arrest of considerable numbers of non-co-operators for deliberate defiance of authority brought the matter prominently to public notice. The Government of India, after a conference with representatives of local administrations, issued general instructions with the object of ensuring that the treatment of prisoners convicted of offences connected with political movements should be regulated along certain broad lines. It was agreed to exclude, from the category of those entitled to special treatment, all persons convicted of an offence involving violence or of an offence against property, or of inciting others to commit such offences; all persons hired to commit offences in connection with political movements; all persons convicted of attempts to seduce soldiers or police from their allegiance and of offences directly involving criminal intimidation. With these exceptions, it was laid down that each case was to be considered on its merits, and that selection for differential treatment was to be based upon the status, character, and education of the prisoner, and the nature of his offence. Prisoners so selected were to be separated from ordinary prisoners: might import their own food and bedding and wear their own clothes: might possess books and magazines: receive visitors and letters at stated intervals, and enjoy exemption from labour and from menial duties. Finally, jail punishments such as whipping were only to be inflicted in the last resort, for particularly grave offences, and then by the order of the local Government. Generally speaking, local Governments had already framed rules in the spirit of the Jails Committee's recommendations for dealing with prisoners of this class; and while the actual conditions under which political prisoners were permitted to serve their sentence varied considerably from province to province, the number of well-grounded complaints steadily declined during the latter portion of the period under review. It will of course be obvious that the imprisonment of a large number of persons of a type very different from the customary jail population must place a very heavy strain upon any administrative system. But this is particularly the case in a country such as India, where the prison staff is as a rule accustomed to deal with rough, illiterate and dangerous men. Strict discipline is therefore vitally necessary for the mere safety of the Jail. The resulting conditions, even if relaxed in matters of detail, are particularly irksome to educated persons fresh from the excitement

Their treatment.

of political and religious agitation ; persons whose whole creed depends upon an assertion of the independence and the dignity of the individual. Hence, despite the efforts of Government to afford all possible indulgence to " political " prisoners, the attitude they assumed was, at any rate in certain cases, the very reverse of reasonable. The discipline of individual jails suffered severely in consequence. It is therefore no matter for surprise that during the period under review there were in the jails of India some five riots, three of which must be accounted serious. Among those particularly worthy of notice may be mentioned the occurrence on the 26th April 1922 in the Presidency Jail at Calcutta, when no fewer than nine persons and one warder were killed and 36 of the jail staff including the Superintendent were injured. It must be realised that in these cases the " political " prisoners although their example may possibly have had some influence upon the deterioration of jail discipline leading up to the trouble, took no part in the rioting themselves. Fortunately, the " political " element in the jail population shows signs of rapid diminution, and with its disappearance, an embarrassing situation will terminate. Towards the close of the period under review, as has been mentioned in another place, " political " prisoners were released from the prisons of the United Provinces. It is sincerely to be hoped that with the relaxation of the tension which for the last two years has characterised the general atmosphere, the number of persons who go to prison for their deliberate defiance of authority will be reduced to infinitesimal proportions.

Difficulties.

From this consideration of the machinery by which the law is enforced throughout British India, we may now turn to the manner in which the law is shaped. It should in the first instance be remarked that as a result of the introduction of the Montagu-Chelmsford Reforms, the law-making bodies of India have undergone considerable modifications both in size and in composition. In the local Legislative Councils the proportion of official members has been fixed at a maximum of 20 per cent., while at the same time the total personnel has been considerably increased. In Madras, Bombay, Bengal and the United Provinces, the number of members of the legislature is fixed by statute at a minimum figure varying from 111 to 125 ; but in point of fact, these numbers have been exceeded except in the case of Bombay. Madras, for example, has 9 more members than the statutory minimum ; Bengal has 14, and the United Provinces 5. In the case of the Punjab, Bihar and Orissa

Provincial Legislatures.

and the Central Provinces, the statutory minimum varies from 70 to 98. In the Central Provinces this minimum figure is adhered to; but Bihar and Orissa has 103 as against the statutory minimum of 98, and the Punjab has 93 as against the statutory minimum of 83. Throughout the Provincial legislatures the elected members are required by statute to predominate in the proportion of at least 70 per cent.

The work accomplished by the Provincial legislatures may best be judged by a summary review of their achievements during the year 1922. Perhaps it was in the sphere of local self-government that they showed the greatest activity. Among the enactments passed or introduced dealing with this subject are to be found three Acts from Madras concerned with Municipalities, local Boards and City Councils; one Act from Bombay; one from Calcutta, two from the United Provinces, four from from the Punjab, three from Burma, two from Bihar and Orissa and two the Central Provinces. Questions of revenue were also taken up by most provinces. Court Fees and Stamp Amendment Acts were introduced or passed in Madras, Bombay, Bengal, the Punjab, Bihar and Orissa, and Assam. Among other notable enactments may be mentioned the Prevention of Gambling Act, an Act to regulate cotton contracts, and an amending Act in connection with the Prevention of Cruelty to Animals, from Bombay; a Children's Act, an Amusements Tax Act, and an Excise Amendment Act from Bengal; a Town Improvement Act and a Sikh Gurdwaras and Shrines Act in the Punjab; an Anti-Boycott Act, and a Midwives and Nurses Act from Burma; private and minor Irrigation Works Acts from Bihar and Orissa; College and High School Education Acts from the Central Provinces and the United Provinces. In addition to these enactments there was a great deal of miscellaneous legislation of the kind necessitated by the transfer of so many subjects, hitherto controlled by the Central Government, to the authority of the new provincial administrations. Considerations of space unfortunately forbid us to deal in detail with the activities of all the local legislatures. In last year's Report a brief review was given of the work of the Legislative Council of the Presidency of Bengal, a legislature which may be considered in many ways typical of its sister bodies in the other great presidencies. In this present statement for the sake of completeness we may deal very briefly with the work of two of the important legislative bodies of northern India, the Council of the United Provinces and the Council of the Punjab.

The United Provinces Legislative Council.

During 1921, perhaps the most important achievements of the reformed legislative council of the United Provinces had been the abolition of the system of impressed labour; and the curtailment of the annual migration of Government to the hills. The legislative programme had embraced measures of capital importance, including the Intermediate Education Bill, the Allahabad University Bill and the Oudh Rent Bill. The record of the Council in 1922 shows an equally high level of solid achievement. In general we may notice that while the attitude adopted by the non-official members of Council towards certain questions has been pronounced to be slightly disappointing to the authorities, there have in other directions been ample causes for satisfaction in the measure of support which the Legislature has accorded to the Executive. Moreover, where Government have been unable to carry the Council with them it has generally been plain that the opposition has faithfully voiced the sentiments common in the country among the more responsible section of the politicians. Among the non-official members of the legislature, the landlord class are in a majority; but although there is also a fairly strong contingent of the Liberal element; party politics have scarcely developed. In practice, both groups have discovered common interests in many questions; and from time to time, they unite in opposition to the Government.

General attitude 1922.

Legislative activity 1922.

The legislative programme of the United Provinces Council during the year 1922 has been both important and fruitful. Perhaps the most far-reaching measure under consideration was the Bill introduced by the Minister for Local Self-Government to increase the power and add to the functions of the District Boards. The Bill excited a considerable amount of interest both inside and outside the Council, principally on account of the enhanced powers of taxation which it proposed to confer upon these local bodies. At one time it seemed by no means unlikelythat the Bill would be wrecked; but fortunately a compromise was arrived at on the question of taxation; and the Bill, after passing the Council in November 1922 came into force on the 1st February 1923. Indeed, the question of taxation is one upon which the Council has showed itself remarkably sensitive on various occasions. In illustration may be cited the case of the Court Fees (Amendment) Bill, which Government hoped would remedy a comparatively large deficit in the provincial budget. But the Council would have nothing to do with it, and negatived the motion to refer

the Bill to the Select Committee. Some very important legislative measures were successfully brought forward by private members ; among these may be mentioned the United Provinces Municipalities (Amendment) Bill which was designed to bring the municipal franchise into line with the provincial council franchise ; and the Agra Pre-emption Bill the effect of which will be to consolidate and simplify the law of pre-emption. Perhaps of greater interest even than this legislative work, were the resolutions from time to time brought forward in the course of the year. These afford an accurate index to the outlook of the non-official members, and indicate with clearness their attitude towards the current questions of the day. The most important of these resolutions were of a political nature, and referred mainly to the Criminal Law Amendment Act, and the steps taken by Government under it to deal with the Non-co-operation movement. The first resolution of this kind, moved in January 1922, recommended the immediate withdrawal of the Criminal Law Amendment Act from the Province, the release of all persons convicted and the withdrawal of all pending prosecutions in accordance therewith. This somewhat sweeping Resolution was not carried, the Council preferring an amendment recommending the withdrawal of the Act from the more peaceful Districts, the examination of the cases of persons convicted under the Act, and the issue of instructions to the executive officers to apply the provisions of the Act with restraint and discretion. A subsequent resolution towards the end of the same month, recommending Government to request the High Court at Allahabad and the Judicial Commissioner's Court at Lucknow to satisfy themselves as to the legality and propriety of the orders and sentences passed in political cases, was withdrawn in view of the fact that Government proposed to refer to an independent Judicial Officer of high standing all cases under the Criminal Law Amendment Act in which sentences of imprisonment of three months or more had been passed. Towards the end of the year, doubtless on account of the settling down of the political situation, the question of the withdrawal of the Criminal Law Amendment Act was taken up by the Council with increased vigour. In October, a resolution was adopted, despite Government opposition, urging the total withdrawal of the Act from the province. Another Resolution passed in the face of Government opposition recommended that, in view of the improvement of the political atmosphere, Government should grant a general amnesty to all political prisoners, including both those convicted under the Criminal Law Amendment Act and under the Penal Code. The conclusion may thus be drawn

Resolutions.

that while the United Provinces Council supported the executive Government in the use of the Criminal Law Amendment Act where it was convinced that the employment of this measure was necessary, it was at the same time not slow to urge immediate withdrawal as soon as it thought that such a measure was safe. From the speeches delivered on the occasion of the Resolutions to which we have referred, it was plain that the Council exhibited mistrust not so much of Government as a whole as of the District Officials whose function it is to carry out the orders of Government, and in particular, of the Police. This is further illustrated by the fact that the Council adopted in the face of Government opposition a resolution recommending the appointment of a Committee of officials and non-officials to enquire into the conduct of the police of the Basti District in connection with certain incidents which occurred in April 1922. The Council, further, from time to time displayed considerable anxiety regarding the treatment of political prisoners. In March 1922 a resolution was brought forward urging that all political prisoners, including non-co-operators, should be treated as similar prisoners are dealt with in England; and that pending the introduction of the necessary arrangements, facilities in the matter of food, clothing, reading, interviews and communications given to European prisoners should be extended to them. On the Home Member giving his assurance that it was the desire of Government to meet the wishes of members in the matter as far as possible, the resolution was withdrawn. Along with other motions which deserve mention, may be included resolutions for the appointment of Committees to work out a scheme for the separation of executive and judicial functions; to consider the possibility of abolishing or curtailing the number of Commissioners; to examine and report on various questions connected with excise; to make recommendations for the reorganization of the Public Works Department; and finally, to deal with the difficult question of retrenchment. Among other activities of the United Provinces legislature during the year under review mention must be made of the very considerable number of questions asked by members. Some undoubtedly served a useful purpose in eliciting information on which to base specific recommendations regarding the policy of Government. The answers to others, it is stated, might well have been obtained by the members themselves from Government publications. Speaking generally, however, the questions are said to disclose a perennial desire for knowledge of the details of

Mistrust of Executive Officials.

Appointment of Committees.

the administration, not infrequently accompanied by a tendency to interfere in the exercise of executive discretion in such matters. Here as in other directions the United Provinces Council has shown that there is no branch of public activity in which it does not take a keen interest; it is quick to detect and inquire into any apparent weakness and to impress on Government its views on the most important questions of the day.

The Punjab Legislative Council.

In the case of the Punjab Legislative Council many of the general statements just made also apply, with certain modifications. The composition of this House lends itself to the supremacy of the Muhammadan vote; and the topics which excited the greatest interest during the period under review were those involving some communal question. In addition to the cleavage into Hindu and Muslim groups, there has also been a noticeable division between urban and rural interests. The views of town and country members have proved in practice to be diametrically opposed upon such questions as settlement policy and its bearing upon the incidence of taxation; or again upon such subjects as restrictions upon the export of food supplies, the acquisition of land for industrial purposes, and for model towns. It may be remarked that the past year has witnessed a decided improvement in the relations between the official and the non-official benches. When the Punjab Legislative Council first met, the criticism of the elected members was unsparing and apt at times to assume a somewhat heated character. But there has been a growing appreciation, on the part of some of the severest critics of the Government, both of the sincere desire of the official members to make the reforms a success, and also of the difficulties which beset the administration of a province such as the Punjab during these times of unrest. To this result the creation of Standing Committees to advise on all important branches of Government activity contributed in no small degree. Informal discussion in such committees brought hard facts home to the minds of the most critical; and fostered among the members generally a sense of responsibility. In the character of the speeches delivered, it is said, there has also been a change full of promise for the future. Impassioned oratory devoid of matter, once so highly favoured, has begun to give place to more sober and businesslike contributions to the subject under debate. But here, as in the United Provinces, parties are hardly sufficiently defined and disciplined to eliminate speeches more numerous than the occasion demands. Most debates are there-

Changing conditions.

fore characterised by frequent repetition of the same arguments. On the whole, no unprejudiced observer can escape the conclusion that the Punjab Legislative Council has begun its career in eminently worthy fashion. This must be ascribed in large degree to the public spirit displayed by the Members, who as a rule take a keen interest in their duties and have devoted great time and industry to the service of the province both in Council and in Committee.

Here as elsewhere the subjects dealt with both in questions and in resolutions accurately reflected the prominence for the time being of the various topics which came under public notice. Among the most common content of questions during the period under review may be mentioned communal representation in the services, political trials, the alleged ill-treatment in jails of political prisoners, the Guru-ka-Bagh affair, the Akali activities, and the imposition of punitive police; and it is not without significance that topics ordinarily so popular as education appeared to have receded somewhat into the background during 1922. Among the most important of the resolutions discussed may be mentioned those dealing with the amalgamation of the Frontier Province and the Punjab; with the removal of restrictions on the export of wheat; with means for hastening the construction of the Sind Sagar Canal; with the Guru-ka-Bagh affair; with the Hindu-Muslim riots in Multan; and with communal representation in the Services. Generally speaking it may be noticed that the non-official voting on most matters followed communal lines; the Muhammadan members voting together on one side, and the Hindus, usually supported by the Sikhs, on the other. The same principle, unfortunately, was applied to such important measures of legislation as the Bill dealing with the Gurdwara Shrines. This measure was passed by the combined official and Muhammadan vote, against the conspicuous opposition of the Hindu and Sikh members. On the other hand, the lines of cleavage did not correspond with communal groupings when urban and rural interests came into conflict. A notable occasion was provided by a motion recommending Government to bring into force a previous resolution for the enhancement of the emoluments of certain minor officials known as Zaildars and Lambardars. This was carried by the rural members against the combined strength of the officials and the representatives with predominantly urban connections. An encouraging feature of the period under review has been a tendency of the Council to take its own line, irrespective of the pressure which external

Questions.

Resolutions.

influences, such as the press, occasionally seek to bring to bear upon it. Examples of this are to be found in the large majority by which the Council carried the motion for holding the summer session of the Council in Simla rather than at Lahore; and in the decisive refusal of the members to endorse the project for the amalgamation of the North-West Frontier Province with the Punjab. Among the most important of the legislative measures during the period under review, we may notice the Sikh Gurdwaras and Shrines Bill to which reference has already been made; the Court Fees (Amendment) Act and the Indian Stamp (Amendment) Act which were passed with a view to increasing the provincial revenues.

After having thus briefly summarised the nature of the proceedings and the work accomplished in two typical Provincial Legislatures, we may return to a consideration of the Central law-making bodies of India, and to their activities as revealed in the course of this period. We may recall the fact that the new Government of India Act has substituted for the former Imperial Legislative Council, a bi-cameral Legislature composed of an Upper and a Lower House, known as the Council of State and the Legislative Assembly. The Council of State consists of 59 members of whom 33 are elected and 26 nominated. Among the nominated members only 15 are officials. The Legislative Assembly consists of 143 members, of whom 103 are elected and 40 nominated. Of the nominated members 25 are officials. As was mentioned last year, analysis on a communal basis shows that the elected members of the Council of State and the Legislative Assembly taken together include 70 Hindus, 42 Muhammadans, 13 Christians, 5 Parsis, 4 Sikhs and 2 Buddhists. Classified by profession the members include 46 Lawyers (4 in the Council of State and 42 in the Assembly); 42 land-holders (17 in the Council of State and 25 in the Assembly); 26 merchants, traders and businessmen (9 in the Council of State and 17 in the Assembly); 7 retired Government officials, one professor, one political pensioner; one confectioner, one grocer and 12 members whose professions are unclassified.

The Central Legislature.

On another page of this Statement a brief account is given of the political activities of the Central Legislature during the sessions which fall within the period 1922-23. It is only necessary here to summarise certain other aspects of the important work therein accomplished. To take first the Delhi session of the Central Legislature. At the commencement of the Budget session of the year 1922, current topics excited a large share of the atten-

tion of both Houses and occupied a proportionate amount of their time. Various members moved for adjournments in connection with matters of urgent public interest. Among these may be mentioned the resignation of the Rt. Hon. E. S. Montagu; the strike on the East Indian Railway; the prosecution of Mr. Gandhi; the position of Indians in East Africa and one or two minor matters. In the majority of cases these motions for adjournment were disallowed on the score that the matters sought to be raised were already before the House in the form of substantive motions. The question of the resignation of Mr. Montagu led to animated discussions both in the Council of State and in the Legislative Assembly; and speeches delivered by the non-official members displayed a deep and abiding sense of regret at the departure from office of a Secretary of State who had rendered such invaluable services to India and to the Empire. Another resolution which excited the greatest interest was that recommending the abandonment of the so-called "repressive" policy pursued by Government in dealing with the non-co-operation movement. Those who demanded the abandonment of this policy based their plea on the ground that repression would lead nowhere. Non-co-operation, they contended, was a symptom and not a disease; the causes that fed the movement should be examined at a conference and a solution, if possible, be found. On the other hand, the opponents of the motion emphasized the difference between constitutional and unconstitutional agitation. In their view the choice lay between the maintenance of law and order and a general relapse into chaotic anarchy. The House decisively rejected the original motion as well as certain amendments moved thereon, and recorded its intention to support Government in the steps which they were taking. A similar endorsement of Government's policy was pronounced in connection with a resolution asking for the release of the Ali Brothers. The powerful speech of Sir William Vincent exercised so remarkable an effect upon the House that not a single vote was recorded in favour of the resolution, which was declared to have been unanimously defeated. There were also two debates in connection with the Moplah outbreak at Malabar, in which, after a full explanation by Government of the policy which they had been adopting, motions urging the withdrawal of Martial Law and the appointment of a Committee to report on the disturbed condition in Malabar were withdrawn. As usual, the subject of constitutional advance excited great attention. A motion recommending to the Governor-General the immediate abolition

Budget Session 1922.

Political Resolutions.

of the distinction between votable and non-votable items was carried by the co-operation of the non-official Europeans and the Indian Members. A reference, however, to the Law Officers of the Crown revealed the fact that in their view the Governor-General was not competent to declare as votable those items which by Statute had been classified as non-votable. This reply caused a good deal of disappointment to the non-official members. There was a motion in the Council of State for the introduction of the constitutional practice of voting an address after the "Speech from the Throne," that is to say, after the Viceroy's speech at the opening of each session of the Indian legislature. The Government members pointed out that the Viceroy's speech was a statutory right; it expressed his personal views and was made largely on his individual responsibility. Hence, they urged, it would be neither fair nor proper for members of the Government to be called upon to defend such a speech on the floor of the House. The resolution was lost. Yet another right which the elected members sought to secure for the Legislature was that of choosing India's representatives to the Imperial and other such Conferences. Government, however, pointed out that there was no precedent for any country sending a representative elected by its Parliament to a Conference where various powers entered into negotiations; and resolutions in these terms were lost both in the Council of State and in the Legislative Assembly. Financial matters naturally attracted great attention in the course of the session. Resolutions were moved in both Houses, dealing with the questions of currency and exchange, with Reverse Councils and with the contributions from Provinces to the Central Government. In both Houses also much stress was laid upon the necessity for retrenchment; and largely as a result of some forceful expressions of the non-official view, Government announced later in the session that a Retrenchment Committee was to be appointed. Great weight was attached by non-official members of the Legislature to the increasing association of Indians in the administration. Resolutions were carried for the appointment of Standing Committees in connection with the various Departments of Government in order to enable non-officials to familiarise themselves with the working of the administrative machine. Several resolutions were also moved on the position of Indians in the Services; on the recruitment of Indians for the Royal Indian Marine; on the training

Constitutional advance.

Finance.

Indianization.

of Indians abroad in technical subjects; on the increased appointment of Indians to Railways and Port Trusts, and to posts in the Foreign and Political Department. The Legislature also displayed itself intensely interested in the encouragement of Indian industries; and in the management of Indian Railways. The position of Indians abroad excited great anxiety; and in the debate raised upon the position of Indians in East Africa, strong protests were voiced at the disadvantages under which India's nationals suffered in this part of the Empire. The budget for the year 1922-23 was, as briefly mentioned in last year's statement, the subject of careful scrutiny and lively criticism. The deficit amounted to Rs. 34 crores and was due to a fall of Rs. 20 crores in revenue and to an excess of Rs. 14 crores in expenditure. The Finance Member proposed to meet the deficit by an increase in Railway passenger fares, by enhanced postage rates, by an increase of the general customs *ad valorem* duties from 11 to 15 per cent., of cotton excise duty from 3½ to 7½ per cent. and of the duty on sugar from 15 per cent. to 25 per cent.; while further increases were to be placed on imported yarns, machinery, iron and steel, railway material and alcoholic liquors, on matches and salt and on articles of luxury. It was also proposed to raise the income-tax, and the super-tax. In the discussion of the demands for grants, the Legislative Assembly cut some Rs. 95 lakhs from the various Departments of Government; it also refused to raise the salt duty, the cotton excise duty, and the existing duty on machinery and on cotton goods. The result was, therefore, as is noticed in another place, a total uncovered deficit estimated to be something over Rs. 9 crores. The firm stand taken by the Assembly was undoubtedly instrumental in determining Government to embark upon the course of thorough-going retrenchment, of which the results are described elsewhere. Among the Legislative measures which came before the Assembly and the Council of State during the Delhi Session of 1922, mention may be made of the Bills giving effect to the recommendations of the Repressive Laws Committee, and of the Press Law Committee. A Bill was referred to Select Committee providing a penalty for spreading disaffection among the police and for kindred offences. A Bill consolidating the law relating to income-tax and super-tax was passed by the Assembly after a disagreement between the Assembly and the Council of State that resulted in a compromise. Bills to establish a University at Delhi and to amend the Benares Hindu University Act received the endorsement of the Legislature, which also passed measures to amend the Electricity Act

The Budget.

Legislation.

and the Factories Act, and to give effect to certain international obligations imposed upon India by the Washington Conference. Among these last may be mentioned, in addition to the Amendments to the Factories Act, a Bill to regulate Child labour in the Ports of British India.

Simla Session 1922.

The work performed in the Simla session of 1922 though perhaps less striking than that of the Delhi Session was none the less important. Among the current events which excited the interest of the Assembly, may be noticed the affair of Guru-ka-Bagh, concerning which an account is given in another chapter. As a result of a motion for adjournment, the Home Member presented to the House a statement of the facts of the case. A project was also mooted to secure an adjournment to consider the Near Eastern situation, which at the moment was causing no small concern to Indian Muslims. But as His Excellency the Viceroy consented to receive a deputation to discuss the matter informally with the members of the Indian Legislature, no motion for adjournment was actually made. Among the most important resolutions which came up for discussion in the Simla session, three may be selected for particular mention. The first was a recommendation to the Governor-General that political prisoners who were not convicted of violence to person, of destruction of property, or of incitement thereto, should be treated, as in England, as first class misdemeanants. The official spokesmen pointed out that it was far from being the case, as was commonly supposed in India, that all persons connected with political offences were in England treated as first class misdemeanants. The Government of India had laid down that the selection of prisoners for preferential treatment should be based on their status, character and education, as well as on the character of the offence for which they had been convicted. The resolution was ultimately withdrawn by the mover after two hours' debate. The lamentable train tragedy in connection with the transit of political prisoners in Malabar once again engaged the attention of the House, in connection with the Resolution that suitable action should be taken against those officers who were directly or indirectly responsible for it. After Government had explained their attitude and voiced their regret, the Resolution was defeated. Perhaps the most important debate of the session concerned the speech delivered by Mr. Lloyd George on the 7th September 1922. Non-official opinion had been deeply stirred by the implied suggestion that India would remain for all time under the perpetual rule

Resolutions.

of a nucleus of British officials. This in the view of most Indians was tantamount to denying the country all claim to full responsible government in the future. Despite the explanations which were given by the administration, a resolution conveying the view of the Assembly that the tenor of the then Premier's Speech was in conflict with previous declarations made by His Majesty's Government, and was calculated to cause serious apprehension in India, was carried by a substantial majority. Both the Legislative Assembly and the Council of State devoted a considerable share of their attention to economic subjects. A Resolution was carried in the Lower House asking for the removal of the embargo on the export of food grains—a remarkable reversal of non-official opinion as expressed two years ago. This was accepted by Government, and the embargo was subsequently removed. A resolution recommending the termination of the system of monopolies given to Government contractors for the sale of salt in certain districts in the Punjab was withdrawn, when it was explained by Government that the system prevented profiteering and had reduced the wholesale price of salt by nearly 30 per cent. Among other topics which excited the interest of the legislature mention may be made of a resolution for the reduction of the contributions which the Provinces at present make to the central exchequer. This was defeated as a result of the differences which arose between the non-official representatives of the various provinces. A resolution asking Government to improve travelling facilities for third class railway passengers in various detailed respects, was carried unanimously; and several other resolutions dealing with railway subjects were also brought forward. In the sphere of legislation the work of the session was very heavy. A Bill to assimilate the law in British India relating to Official Secrets to the law in the United Kingdom was referred to a Select Committee; while the Police Incitement to Disaffection Bill after a considerable amount of discussion was finally passed. As is mentioned in another place, the Assembly refused to allow the introduction of a measure to which Government attached great importance, the Indian States (Protection against Disaffection) Bill. Consequently, the Governor-General in Council certified that the Bill was essential for the interests of British India and a constitutional crisis of some importance was thus resolved. Among other measures brought in by Government mention may be made of a Bill to abolish the punishment of transportation; to compensate workmen for injuries suffered in the course of their employment; and to amend the Criminal Procedure Code. A number of non-official members

Legislation.

also brought in Bills of considerable interest, among which may be mentioned the Civil Marriage Bill introduced by Dr. Gour.

Delhi Session 1923.

The Delhi Session of the Legislative Assembly and the Council of State, which began in January 1923 was among the most momentous of all the meetings which have taken place under the Reformed Constitution. The deliberations of both Houses extended to a number of matters of great importance. Among them may be mentioned the despatch of the Secretary of State, which, in reply to the opinion of the Assembly, announced that no immediate political advance seemed expedient or possible. It is noteworthy that while extreme dissatisfaction was voiced by the non-official members of the Assembly at this pronouncement, the debate was adjourned without the motion expressing it having been carried. And in connection with matters constitutional, it may be mentioned that the Assembly succeeded in vindicating the convention which had grown up as to their power of debating non-votable subjects in the budget discussion by the device of moving nominal reductions in closely allied voted heads. When the point of order was raised, the President ruled that such discussion was strictly inadmissible. But on the suggestion of the Home Member that, in view of the order of the Governor-General, this discussion might be allowed, the President waived his objection. The point is important, since a discussion of this nature enables the Assembly to familiarise itself with the administrative details of such important spheres as the Army and the Foreign Departments, in the control of which it has at present no voice. In other respects also the session was notable for advances in various directions consistently advocated by non-official Indian opinion. We have mentioned in another place the announcement of the Commander-in-Chief that Government had decided upon the Indianization of the commissioned ranks of eight regiments. The vindication of India's desire to control her own fiscal policy in such a manner as to foster domestic industries, was a cause of legitimate satisfaction to the members of both Houses; as was also the announcement of Government's decision to take under the State management two railways whose contracts were about to fall in. The passage of the Racial Distinctions Bill, introduced as a result of the appointment of a Committee to investigate the differences in the criminal trials of Indian and European subjects of the King, marked an important stage in the attainment of equality between the two races in India. Resolutions were also carried urging the appointment of Indians in increasing numbers to high offices in the

Secretariat of the Government of India; and the fixing of a reasonable proportion of Indians in the cadre of traffic inspectors on Indian State Railways. Much attention was devoted to industrial subjects. On the motion of non-official members, Government undertook to enquire into the question of Industrial Banks; to review their statistical publications in such a manner as to facilitate the preparation of a census of production; and to award scholarships for promising Indians to pursue approved lines of study in foreign countries. The atmosphere of harmony between the legislature and the executive, which had hitherto been so marked, showed some signs of injury during the course of the session. The announcement of the appointment of a Commission to enquire into the Public Services was made the occasion of an adjournment of the Assembly; and somewhat bitter comparisons were made between the respective attitude of the authorities towards constitutional advance, and towards service grievances. Moreover, although the budget for 1923-24, in its thorough-going retrenchment, represented a considerable triumph for the opinions of the elected members, the later stages of the Finance Bill, accompanied as they were by the dispute over the salt tax, considerably disturbed the harmony which had previously prevailed. We shall have occasion in other portions of this Statement to advert in greater detail to the circumstances of this dispute; and it is here only necessary to say that the "restoration" by His Excellency the Viceroy of the estimates refused by the assembly for the Public Services Commission, for certain expenditure under the heading of railways; and for the enhanced figure of the salt tax, were bitterly condemned by elected members of the legislature as a blow both to the prestige of the Assembly and to the progress of the reforms. But a session which includes, in addition to the triumph of Indian opinion in the sphere of fiscal policy, such achievements as the weakening of racial distinctions, Indianization of the army, and state management of certain railways, cannot be justly condemned as infructuous. A varied but very solid legislative programme was successfully carried through, including the revision of the Criminal Procedure Code, which introduced many improvements on the existing law; measures providing for the compensation of workmen; for the revision of the Mines Act; and for the suppression of certain offences in connection with the White Slave Traffic. There was in addition a quantity of important non-official legislation, mainly of a social character. In their disappointment over the Viceroy's certification, many elected members of the legislature went back to their

Stormy atmosphere.

constituents with the complaint that the Reforms had failed; and that autocracy was once more dominant. It is, however, a curious commentary upon this attitude—intelligible though it may be—that the session whose conclusion had filled certain members with such despair was by far the most fruitful and by far the most important of any which had hitherto been held under the Reformed Constitution.

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CHAPTER III.

The Economic Structure.

In India as in other countries the basis of good government is sound finance, and no apology seems necessary for describing in some detail the steps which have been taken, during the period under review, to redeem the credit of the administration from the reproach cast upon it by five years of unbalanced budgets. India occupies a more fortunate position than that into which many other countries have fallen since the War; and now that a supreme and successful effort has been made by her Government to secure financial equilibrium, she does but await an improvement in general international trade to embark, without a backward glance, upon an era of industrial and commercial expansion. By way of introduction, it will be necessary to summarise briefly the general conditions regulating the finances of the country. Taking first of all the external aspect, it should be noticed that India has large commitments in London in payment for which a sum averaging over £25 millions sterling is annually required. The major portion of this sum is interest on capital lent to India for the purpose of internal development. Another item in the sum annually remitted to England is payment for Government stores of a kind not hitherto obtainable in India. This head is destined gradually to disappear with India's increasing Industrial development, and strenuous efforts are already being made to reduce it. Finally come the payments made to England for the leave allowances of government servants, and for their pensions after they have retired from service in India. An item which has now disappeared from the annual remittance between India and England, is the charge for the maintenance of the whole of the India Office. As a result of the changed relations between the two countries consequent upon the declaration of August 20th, 1917, a portion of the expense of the India Office now falls upon the British Exchequer; and in substitution for this, comes the cost of maintaining the Indian High Commissioner who discharges functions in England similar to those of the High Commissioners representing the self-governing Dominions.

General Conditions of Indian Finance.

From the external we turn to the internal aspect of India's finances.

Centralisation and Devolution.

She differs from many other countries in the fact that a large proportion of the revenues of Government is derived not from taxation but from such sources as land revenue, customs, opium, railways, forests and irrigation. As a natural consequence, since India is still in the main agricultural, the revenues of the country are always predominantly influenced by the character of the season. This fact, it may be mentioned in passing, accounts for many of the difficulties financial and otherwise, through which India has passed of recent years. The financial organisation of the country was for many years influenced by the system which the Government of India inherited from the East India Company. Originally, centralisation was the watchword. All revenues went into the coffers of the Government of India, whose orders were necessary for all but the most trifling expenditure. From this system there was evolved in course of time the plan of " divided heads ". The budget of the Government of India was still made to include the transactions of the local Governments, but the revenues enjoyed by the latter were mainly derived from sources of income shared between themselves and the Central Government. Out of these incomings the Government of India paid for defence charges, for the upkeep of railways, posts and telegraphs, for interest on debt, and for the Home charges. The Provinces met the expenses connected with land-revenue and general administration, with forests, police, courts and jails, with education and with medical services ; while charges for irrigation, and for certain other heads such as ordinary public works were common both to the Central and to the provincial governments. But with the introduction of the Montagu-Chelmsford Reforms and the decentralisation therefrom resulting, this state of affairs has passed away. Indeed, among the most important consequences of the whole administrative reorganization was the complete separation brought about between the finances of the Central Government and those of the various provincial Governments. The authors of the Reforms recommended that no head of revenue should henceforth be divided; that land revenue, irrigation, excise and judicial stamps should be completely provincialised ; and that income-tax and general stamps should become central heads of revenue. Inasmuch as under this re-arrangement the Government of India's resources would be substantially curtailed, it was proposed that contributions should be levied on the provinces to make good the deficit In January 1920, Committee appointed to investigate the future finan

cial relations between the local and central authorities proposed that in 1921-22 the provincial governments should contribute Rs. 983 lakhs (£6½ millions) to the Government of India. The Committee also suggested that there should be fixed a standard contribution for each province as its proportion to the total sum necessary to make good the deficit of the central exchequer. The recommendations of the Committee were revised and to some extent altered by the Joint Select Committee of both Houses of Parliament; it being finally settled that from the year 1921-22, a total contribution of Rs. 983 lakhs (£6½ millions) or such smaller sum as may be determined by the Governor General in Council, shall be paid by the local Governments, provision being made for reduction when the Governor General in Council fixes as the total amount of the contribution a sum smaller than that payable in the preceding year. Unfortunately, since the separation between Central and Provincial finances, the local Governments, like the Government of India, have undergone a period of financial distress. Their expenditure has necessarily been on the upgrade; and the non-co-operation agitation has exercised a baneful effect on some of their items of revenue. The hope that the resources of the provinces, increased as a result of the new financial settlement, would assist them in finding the money for large schemes of economic and social development has not, therefore, been realised up to the time of writing. Considerable sums are indeed placed at the disposal of the local governments over and above those which would have accrued to them under the previous arrangements. This is particularly marked in the case of an agricultural province like the Punjab, which gains the net surplus of Rs. 114 lakhs (£760,000) a year. Provinces which contain large commercial centres are probably not equally fortunate. But so far from being available for meeting new demands under various heads, this money, for reasons largely beyond the control of the local authorities, has had to be devoted to increased administrative charges due primarily to the general rise in prices from which India in common with other countries of the world has for the last two years been suffering. Naturally there has grown up in all provinces a strong feeling against the system of contributions, which has become considerably aggravated by the realisation that the "nation-building" departments newly made over to popular Ministers have no resources to undertake large schemes of expansion of the kind which public opinion so keenly demands. In the year 1921, this feeling found strong expression in the case of Bengal, which had

Provincial Contributions.

Provincial Stringency.

indeed been recommended to the special consideration of the Government of India by the Joint Select Committee on the Government of India Act. Accordingly in the September session of the Legislature, a resolution was moved by the Finance Member recommending the remission of the Bengal contribution for a period of three years. This was accepted by the Assembly, which felt that for political reasons at least it was advisable to help Bengal in her distress. The concession, however, naturally led to similar demands from other provinces, Madras being exceptionally vociferous in her insistence on a revision of her contributions. Since it had by this time become clear that the finances of the Central Government were such as to make it wholly out of the question to reduce the figure of provincial subventions, the demand could not be met. But the fact that the estimated revenue and expenditure of the nine local Governments for the year 1922-23 revealed that only Bengal and Burma were working to a surplus, necessitated a careful examination of the whole position. Accordingly a conference was held in Simla in April 1922 with the Finance Members and other financial authorities of the provincial Governments. It was found that the aggregate deficits of the seven provinces which had not attained equilibrium between current revenue and expenditure amounted to Rs. 352 lakhs (£2⅜ millions). As already remarked, an immediate reduction of the provincial contributions was for the moment unthinkable, since its only effect would have been to transfer responsibility for a further deficiency of revenue to the Government of India in such manner as would have been highly prejudicial to the credit of India as a whole. Various proposals were received for dealing with this difficult problem, among which may be mentioned a suggestion by the Bombay representatives that a system of divided heads might again be considered. But the representatives of the other provinces together with the Government of India themselves, were generally of the opinion that the clear division of revenues between the central and local governments was the basis of the whole scheme of Reforms. The Government of India therefore, with the concurrence of the Secretary of State, determined to uphold the new financial settlement, at the same time renewing the undertaking previously given in Lord Chelmsford's time that they would work out their financial policy in the direction of reducing and ultimately abolishing the existing financial contributions. But they made it clear that unless a marked revival in trade should result in the narrowing of the existing gap between revenue and expenditure, no

Investigations.

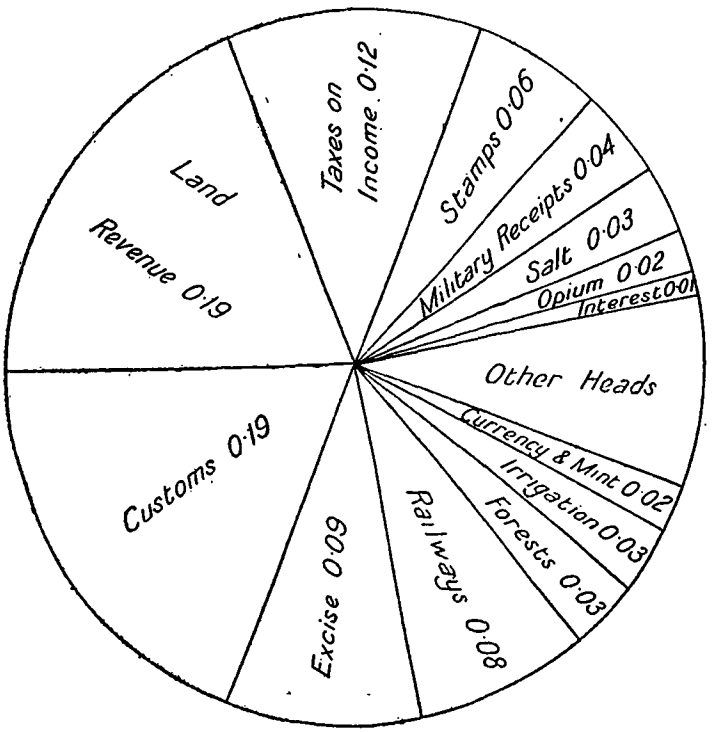
reduction of the provincial contributions would be possible without either very considerable retrenchment or substantial additional taxation. As will be clear from what follows, it was ultimately found necessary to have recourse both to the one and to the other expedients. During the financial year 1922-23 every provincial Government found the very greatest difficulty in balancing its budget. Most provinces proceeded to examine all possible avenues of retrenchment, and at the same time requested their legislative Councils to sanction new taxation. The feeling that they could expect no help from the Central Government acted in the majority of cases as a great stimulus to efforts in this direction; and there is reason to hope that during the course of the year 1923-24, the majority of the provinces will be able to show balanced budgets. In which connection the following paragraph may be quoted from the speech of the Finance Member of the Viceroy's Council, Sir Basil Blackett, who assumed charge of his office in January 1923.

Promise for the future.

"It has been suggested to me by more than one spokesman for the provinces that there is a feeling in the minds of the provincial Governments and of their legislatures that it would be unwise for them to show balanced budgets. They are, it is hinted, taking a leaf out of the book of some charitable and religious bodies which make a habit of showing an annual deficit in order to make a striking appeal to their supporters to come to their rescue. The provincial governments, think, it is said, that they will get more sympathy from the central government and get rid of their provincial contributions quicker if they can show a handsome deficit and appeal to the charity of the central government. I should like to say for my part that the strongest appeal that the provincial governments can make to me in this matter of the provincial contributions is to show themselves worthy of assistance from the central government by strenuous and successful endeavours to make both ends meet for themselves".

It will be made abundantly clear from what follows, that the Government of India have placed in the very forefront of their financial policy the necessity of relieving the provinces as soon as possible from the burden of contributing to the central Exchequer, in order that the money so placed at their disposal may be available for those large projects of social and industrial improvement upon which the true success of the Reform Scheme so largely depends. To realise the full implications of this intention we must briefly consider the financial difficulties to which the Central Government has lately been exposed.

How each Rupee of Revenue
was made up in India 1921-22.
(Provincial and Central together.)



The Rupee of Revenue
1921-22.

Finances of the Central Government.

It must be remembered that until five years ago, the accounts of the Government of India consistently revealed for a quarter of a century great financial strength. With the exception of one or two abnormal years, there have generally been surpluses on the revenue side, which led to the division of large sums among the provinces for expenditure on education, sanitation and other agencies. Further, substantial amounts were set aside from the revenues for productive purposes and the State borrowings were kept at a low figure. Unfortunately, that happy state of affairs has now passed away. In 1918-19, the deficit amounted to Rs. 6 crores (£4 millions), which was left uncovered. Next year, mainly owing to the unforeseen expenditure caused by Afghanistan's unprovoked invasion of India, the deficit amounted to Rs. 24 crores (£16 millions), while the final accounts for 1920-21, swollen by the adjustments of various items, revealed a deficit of 26 crores (£17⅓ millions). When the budget of 1921-22 was presented to the new Central Legislature at the outset of its career, it was found that there was an anticipated deficit of more than Rs. 18 crores (£12 millions), which had to be covered by new taxation. As was made clear in last year's statement, the members of the Assembly rose to their responsibility, and accepted with few modifications the proposals of Government. The additional taxation was mostly under Customs, and included an increase of the general *ad valorem* duty from 7½ per cent. to 11 per cent. and a special duty of 20 per cent. on luxuries, such as motor-cars, silks and the like. It was hoped that these measures would leave a small surplus on the current year's revenue. Unfortunately the ensuing twelve months proved most disastrous. The collapse of buying power in Europe and the United States led to acute trade depression, while India at the same time experienced the aftermath of the failure of the rains in the previous year. The price of wheat rose to almost unexampled figures, with the result that the Government of India were forced both to continue the embargo on the export of this commodity, and to encourage heavy importations from abroad. Labour troubles in the collieries curtailed the raisings of coal; and the service of the railways could only be maintained by the purchase of foreign coal at greatly increased expenditure, with detrimental consequences to the trade balance. Further, owing to the course of exchange, many million pounds' worth of imported goods were locked up through the inability or the failure of importers to take up their contracts. The whole export trade suffered a severe reaction after the post-war boom; India's exports

which had reached their height with Rs. 31 crores (£20⅔ millions) in March 1920 attained their nadir in June 1921 with Rs. 16 crores (£10⅔ millions); customs, income-tax, opium, railways, posts and telegraphs failed to reach the returns anticipated when the budget was framed. The combined effect of all these adverse forces was to reduce the estimated revenues by Rs. 20 crores (£13⅓ millions). Unfortunately the effect of this reduction was aggravated by an increase of expenditure. Interest charges were higher; the military expenditure was heavier by Rs. 2¾ crores (£1⅘ millions); the loss on exchange amounted to Rs. 5¾ crores (£3⅘ millions). The total effect of the year was estimated to produce a deficit of Rs. 33 crores (£22 millions). In these circumstances, Government decided to budget for a deficit in 1922-23. Extra taxation would, it was hoped, yield Rs. 29 crores (£19⅓ millions), leaving Rs. 3 crores (£2 millions) uncovered.

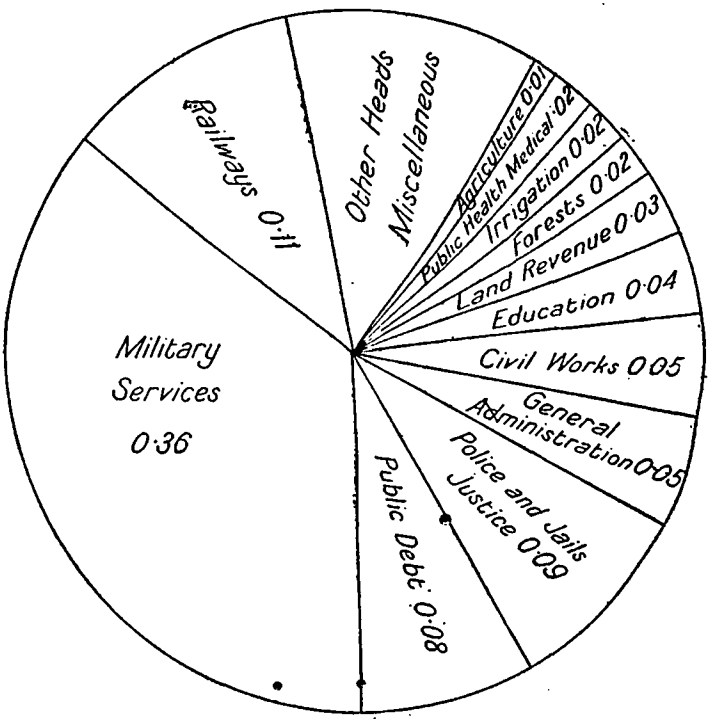
The Budget of 1922-23.

As is remarked elsewhere, the budget was received with something like dismay both by the Legislature and by the country at large. It was pointed out that although Rs. 19 crores (£12⅔ millions) of fresh taxation had been imposed in the past year, and further taxation to the figure of Rs. 29 crores (£19⅓ millions) was proposed for the current year, there was no promise of financial equilibrium. The Legislative Assembly emphatically voiced its belief that the country could not stand expenditure on such a scale; and that the taxation proposed to meet it was being brought perilously near the operation of the law of diminishing returns. It proceeded to insist upon a general 5 per cent. cut in the expenditure of all Civil Departments. It rejected the proposed increase in the duty of imported piece-goods, as also the suggested enhancement of cotton excise. It rejected a proposed increase of the salt duty from Re. 1-4 to Rs. 2-8 per maund of 82 lbs. The effect of these changes made in the Finance Bill was to increase the estimated deficit to Rs. 9 crores (£6 millions).

Deficits and Debt.

Thus in 1921-22 for the fifth year in succession India laboured under a deficit; the accumulated total of which amounted in 1923 to no less than 100 crores (£66⅔ millions); and this despite the fact that in the last two budgets additional taxation had been imposed, estimated to bring in, during the year 1922-23, the sum of Rs. 28 crores (£18⅔ millions). As a result of these deficits India's debt had grown from a total of Rs. 411 crores (£274 millions) on the 31st March 1914 to an estimated total of Rs. 781 crores (£520⅔ millions) on the 31st March 1923. These figures should not mislead the reader into underestimating India's fundamental finan-

How each Rupee of Revenue was spent in India 1921-22. (Provincial and Central together)



The Rupee of Expenditure 1921-22.

cial strength. Of the total debt, no less than Rs. 557 crores (£371⅓ millions) is classed as productive, leaving only Rs. 224 crores (£149⅓ millions) as ordinary or unproductive debt. It should also be noticed that while India has not entirely escaped the evils of taxation through inflation, she has come off well as compared with many other countries. Out of the total deficit of Rs. 100 crores (£66⅔ millions) during the last five years, it is estimated that only Rs. 31 crores (£20⅔ millions) has been covered by the creation of paper money. The remainder, amounting to Rs. 69 crores (£46 millions), has been raised by borrowing, of which Rs. 22 crores (£14⅔ millions) represents the issue of Treasury Bills to the public. Further, this sum of Rs. 22 crores (£14⅔ millions) in Treasury Bills represents the residue after the reduction of 32 crores (£21⅓ millions) of Treasury Bills during 1922-23 out of the proceeds of long term loans. But for all these indications of underlying stability, the situation of the country in March 1922 appeared sufficiently disquietening.

Demands for Retrenchment.

In these circumstances, as can well be understood, the general demand for retrenchment appeared as well grounded as it was insistent. Accordingly as a result of resolutions put forward in the Legislative Assembly and the Council of State, the Government of India announced in May that they were contemplating the appointment of a Committee, based as far as possible on the lines of the Geddes Committee in England, of which the terms of reference were as follows :—

The Inchcape Committee.

" To make recommendations to the Government of India for effecting forthwith all possible reduction in the expenditure of the Central Government, having regard especially to the present financial position and outlook. In so far as questions of policy are involved in the expenditure under discussion, these will be left for the exclusive consideration of Government. But it will be open to the Committee to review the expenditure and to indicate the economies which might be effected, if particular policies were either adopted, abandoned or modified."

The personnel of the Committee was later announced. The Right Honourable Lord Inchcape was appointed President, while the members included Sir Thomas Catto, Mr. Dadiba Dalal (now High Commissioner for India), Mr. Purshotamdas Thakurdas, Sir Rajendra Mookerjee and Sir Alexander Murray. The announcement that gentlemen so prominent in the commercial and industrial world had agreed to serve upon the Committee, was generally accepted as evidence that the Government

of India were prepared to make the most drastic efforts to reduce the figure of their expenditure. This impression was confirmed when, towards the end of May, His Excellency the Viceroy received an important deputation of the organised commercial bodies, both European and Indian, of the whole country. In their address the deputation impressed upon him the paramount necessity, in the interests of commerce and industry, for drastic retrenchment, particularly in military expenditure, so that financial equilibrium might be established and confidence revived. Lord Reading in his reply assured the deputation that Government would be content with no half and half measures; and that even pending the investigations of the Retrenchment Committee, all steps possible would be taken to reduce expenditure. In accordance with His Excellency's announcement, the various Departments of the Government of India, in consultation with the Finance Department, radically overhauled their commitments during the summer of 1922. Every effort was made to curtail unnecessary expenditure, and to facilitate in the utmost degree the work of the Retrenchment Committee. After a period of preliminary investigation at the India Office, Lord Inchcape arrived in India in November 1922, and the Committee commenced its sittings in Delhi forthwith. Having devoted more than two months to a minute and searching scrutiny of the expenditure of every Department of Government, the Committee submitted a Report which was placed in the hands of the public in March 1923.

Insistence on Economy.

This document proved to be as remarkable as it was authoritative. The members were unanimous in recommending reductions amounting to Rs. 19¼ crores (£12⅘ millions) in the expenditure of the Government of India. These reductions were based upon the budget estimates for 1922-23, and thus included a certain number of economies and automatic savings already effected during the course of that year. At the same time, the Report pointed out that it would not be possible to secure in the year 1923-24 the complete tale of reductions proposed, since some period must necessarily elapse before their full effects could be reached. A summary of the principal recommendations of the Retrenchment Committee Report will be found in the appendix to this volume, but it may be convenient here to mention very briefly some of the more striking features. The largest item of economy proposed was in military expenditure, where the reduction amounted to nearly Rs. 10½ crores (£7 millions). The Committee recommended that the total

The Retrenchment Report.

net budget for military services for 1923-24 should be fixed at Rs. 57¾ crores (£38½ millions), subject to such addition as might be necessary on account of the delay which must ensue in carrying out the proposed changes. This reduction was accomplished by a saving of Rs. 3 crores (£2 millions) in the strength of the fighting services, due to a reduction of more than 5,000 British Infantry, and more than 6,000 Indian Infantry, through diminishing the numbers of the peace-establishment battalions. In addition, it was proposed that 3 British cavalry regiments and 10 per cent. of the artillery establishment should be retrenched. Considerable reductions are also suggested in mechanical transport, in the supply services, in military works, and in the Royal Indian Marine. The next most important head under which reductions were proposed was that of Railways. Here the proposed economies amounted to Rs. 4½ crores (£3 millions). The Committee recommended that the expenditure on unremunerative lines should be curtailed; and that the general working expenses of all railways should be reduced in such fashion as to ensure an average return of at least 5½ per cent. on the capital invested by the State. They also recommended that the present system of programme revenue expenditure should be abolished, adequate provision being made annually by each railway for the maintenance and renewal of the permanent way and rolling stock. They pressed for the immediate appointment of an experienced financial adviser to ensure that financial considerations were given due weight before expenditur was incurred. The third major head upon which the Committee found it possible to make large savings was Posts and Telegraphs. Here they suggested a reduction of Rs. 1·3 crores (£866,000), exclusive of a reduction of 50 lakhs (£333,000) in the capital expenditure on the Telegraph Department. The main economies proposed were in the reductions of the staff; in the expense for the conveyance of mails; in the construction and maintenance of postal buildings chargeable to revenue; in the reserve stocks of stores, and in certain other smaller items. Under the head of general administration, the Committee suggested the large reduction of Rs. 50 lakhs (£333,000), to give effect to which they proposed a re-allocation of the business conducted by certain Departments of the Government of India and a regrouping of portfolios. They suggested the abolition of certain advisory appointments; the curtailment of the functions of several offices, the reduction of the net cost to the Indian revenue of the India Office and of the High Commissioner's office. In short they subjected to the minutest scrutiny every branch of the activities of the Government of India,

proposing the abolition or curtailment of every function which did not appear in their eyes to be vitally necessary for the essential work of administration.

The Year 1922-23.

In order to appreciate the situation in which the Government of India found themselves at the time of the presentation of this Report, it will be necessary to review in brief the financial history of the year 1922-23. As already noticed, the budget estimates as finally passed provided for a deficit of over Rs. 9 crores (£6 millions); the estimated revenues including new taxation being Rs. 133·23 crores (£88$\frac{4}{5}$ millions); and the expenditure Rs. 142·39 crores (£95 millions). The revenue estimates were not based on the hope of any marked or striking revival in trade; although Government expected some slight improvement upon the general conditions of the previous year. This anticipation was on the whole justified. During the earlier part of the summer of 1922 there was considerable stagnation; but except perhaps in the Cotton Mill Industry in Bombay, the general feeling prevailing throughout the business community was one of mild optimism. Considering the disorganised position of many of India's former customers, her exports showed a promising recovery; and so far as merchandise alone was concerned the balance of trade in favour of India during the first ten months of the financial year 1922-23 was Rs. 62 crores (£41$\frac{1}{3}$ millions), a figure which may be contrasted with the adverse balance of Rs. 29$\frac{1}{2}$ crores (£19$\frac{2}{3}$ millions) in the corresponding ten months of the year 1921-22. As against this there had to be set a substantial net import of bullion, after which there still remained a net balance of Rs. 20 crores (£13$\frac{1}{3}$ millions) in favour of India as compared with an adverse balance of Rs. 33 crores (£22 millions) in the first ten months of the preceding year. Under customs,

Budgettings and Actuals.

a total net revenue of Rs. 45$\frac{1}{2}$ crores (£30$\frac{1}{3}$ millions) was anticipated, but owing to fluctuations in the import of sugar; to a lessening of receipts under excise duty, through a reduced output from the mills due to the high price of cotton and a fall in the price of cotton cloth in the internal markets; and to some deficiency in the revenue from other manufactured articles, a customs revenue some Rs. 3 crores (£2 millions) short of the figure budgetted for was expected. The revenue from railways was also disappointing. The increased passenger fares imposed during the year added some Rs. 6 crores (£4 millions) to the receipts, but owing to trade conditions, traffic fell off seriously; and as against the estimated gross receipts of Rs. 99$\frac{1}{2}$ crores (£66$\frac{1}{3}$ millions), Government did not hope to

realise more than Rs. 92 crores (£61⅓ millions). The Posts and Telegraph Department was expected to show a diminution of Rs. 106 lakhs (£706,000) in the anticipated receipts; while in income-tax, owing to a variety of causes, Government expected a deterioration of Rs. 3½ crores (£2⅓ millions). On the expenditure side, however, there was a substantial saving of Rs. 186 lakhs (£1¼ millions) in the budget provision for interest on debt, owing to the fact that a full half year's interest, despite the unexpectedly large rupee and sterling borrowing of Government, did not fall due until 1923-24. There was a saving of Rs. 35 lakhs (£233,000) in the special "political" provision of Rs. 60 lakhs (£400,000) debited to Waziristan and a saving of Rs. 75 lakhs (£500,000) on other civil expenditure mainly as a result of retrenchment carried out during the year. In military expenditure it was found possible to effect a saving of Rs. 46 lakhs (£306,000) despite an increase in the anticipated expenditure on Waziristan and charges for demobilization, through a reduction of the established charges of the Army from Rs. 65·10 crores (£43⅔ millions) to Rs. 60·5 crores (£40⅓ millions). There was thus a saving of Rs. 4·14 crores (£2⅘ millions) on the expenditure side, but since the revenue was anticipated to be Rs. 12·48 crores (£8⅓ millions) less than the estimate, Government anticipated a deficit at the end of the year 1922-23 of not less than Rs. 17½ crores (£11⅔ millions).

It was of course impossible, as the Retrenchment Committee itself clearly realised, that Government should obtain the full value of the proposed reductions in the first year of their operation. Further, the difficulties in giving effect to the proposals of the Committee were enhanced by the fact that the Report was received after much of the work of preparing the 1923-24 budget had been completed. None the less, by strenuous efforts, Government succeeded in including the major portion of the proposals of the Retrenchment Committee in their 1923-24 budget. In the non-military portion of the budget, excluding interest, the Committee had recommended reductions of about Rs. 8½ crores (£5⅔ millions) on a total estimate in 1922-23 of Rs. 103·9 crores (£69¼ millions). Government had themselves already effected a reduction of Rs. 2·6 crores (£1⅘ millions); and they now assumed the responsibility of a further reduction of Rs. 4 crores (£2⅔ millions). Hence, as against the Inchcape Committee's ultimate recommendation of Rs. 8 crores (£5⅓ millions) the Government succeeded in making an immediate reduction of Rs. 6·6 crores (£4⅖ millions) even in 1923-24 budget. The difference between the two figures, amounting to Rs. 1·4

Government's Efforts at Retrenchment.

crores (£933,000), represented the allowance which it was thought necessary to make for the fact that many of the recommendations of the Committee, even if accepted, could not come into full operation during 1923-24. In the case of military expenditure, the total for which the Assembly was asked to provide funds in 1923-24 was Rs. 62 crores (£41⅓ millions). This total, which included Rs. 1·69 crores (£1⅛ millions) for expenditure in Waziristan, may be compared with the estimate of Rs. 67·75 crores (£45⅛ millions) for 1922-23, when it will be seen that an immediate reduction of Rs. 5·75 crores (£3⅘ millions) was made in the 1923-24 budget. As in the case of the Civil Estimates, the reductions suggested by the Inchcape Committee for the military side could not be brought fully and effectively into operation during the ensuing financial year. The total effect of these and certain other reductions may be summarised in the statement that as compared with the original budget estimates of expenditure for 1922-23 of Rs. 215·27 crores (£143½ millions) inclusive of the working expenditure of commercial departments, the total expenditure of the Government of India for 1923-24, taking sterling expenditure at the rate of exchange of 1*s.* 4*d.* per rupee, was estimated at Rs. 204·37 crores (£136¼ millions) a reduction of Rs. 11 crores (£7⅓ millions) in spite of an increase of Rs. 1·75 crores (£1⅙ millions) for interest. Unfortunately even a reduction so large was not estimated as sufficient to balance the revenue and expenditure during 1923-24. This was made plain by the Finance Member on March 1st, 1923, when he introduced the budget.

The Budget of 1923-24.

In forecasting the revenue for 1923-24 Sir Basil Blackett assumed that general trade conditions would not show any startling change. Under customs, he anticipated a total net revenue of Rs. 45·09 crores (£30 millions) or Rs. 279 lakhs (£1⅘ millions) more than he expected to collect in the current year. Income-tax, he assumed, would yield a revenue of Rs. 19 crores (£12⅔ millions), which was roughly the same as was expected in the year about to elapse. Under Railways, considering the excellence of the autumn harvest and the promise for the spring crop, he expected a certain amount of revival; but did not consider it safe to put the gross traffic receipts higher than Rs. 95½ crores (£63⅔ millions), or Rs. 3½ crores (£2⅓ millions) better than the revised estimate for 1922-23. He estimated there would be a net profit for the year of Rs. 35 lakhs, (£233,000), as compared with a net loss on the budget for 1922-23 as then revised of Rs. 92·6 lakhs (£6⅙ millions). In the case of Posts and Telegraphs he budgetted for an estimate of Rs. 147 lakhs (£980,000)

under net receipts as compared with net receipts of Rs. 24 lakhs (£160,000) in the year 1922-23. In consequence, the budget position for 1923-24 on the basis of existing taxation worked out thus : As against an expenditure of Rs. 204·37 crores (£136¼ millions) there was an expected revenue of Rs. 198·52 crores (£ 132⅛ millions).

Necessity for Balancing the Budget.

After presenting his statement the Finance Member exhorted the Assembly to secure equilibrium by means of such taxation as should cover the threatened deficit. He pointed out that the continued deficits of the last five years were threatening to impair India's credit in the market both at home and abroad. And while there was an almost unlimited field in the country for capital expenditure on new development, India had spent not less than Rs. 100 crores (£66⅔ millions) out of her capital in the last five years solely in financing deficits, thereby diminishing to a corresponding extent the resources available for her own industrial advance. There was a further reason, he said, in addition to the necessity of rehabilitating India's credit, for making a supreme effort to balance the budget. This was the necessity of reducing at an early date, and eventually extinguishing, those contributions paid by the provinces to the Central Government which were exercising such an unfortunate effect both upon provincial development in general and indeed upon the successful working of the whole reform scheme. In spite of drastic cuts in expenditure the budget of the Government of India did not balance. The Finance Member therefore pleaded eloquently for an increase in the salt tax from the figure of Re. 1-4 to the figure of Rs. 2-8 per maund of 82 lbs. He estimated that this would suffice to cover the deficit, to balance the budget and to leave a small surplus.

As is pointed out in another place, the Legislative Assembly, influenced by a variety of reasons, did not consent to the proposed imposition. Certain members put forward proposals which, if accepted by Government, would have had the effect of reducing the deficit on paper ; but Government maintained that such a course was ruled out by considerations of sound finance. Various alternative suggestions such as the imposition of an import duty on silver, an enhancement of the customs duties, and an increase in the income-tax figure, were proposed by various sections of the legislature ; but it was found impossible in effect to secure the assent of a majority of the House to any one of them. The Finance Bill, including the increased salt duty, after being passed by the Council of State, was referred back to the Legislative Assembly, and by them

again rejected. It was thereupon certified by the Viceroy, in the manner described in another chapter. In the course of the pronouncement announcing his certification, Lord Reading stated that in view of the past accumulated deficits, he considered it essential in the interest of India to balance the budget. He pointed out that the conditions of March 1923 differed from those of March 1922 in that only on the latter date had the possibilities of retrenchment been fully and indeed exhaustively explored. In 1922, when the Assembly had refused to agree to the salt tax, the Government of India had been deeply impressed first with the necessity of carrying out retrenchment as a preliminary to any further taxation; and also by consideration of the fact that the then high prices of food grains might have caused an enhanced salt tax to press heavily upon the poorer classes. But in March 1923, the possibilities of retrenchment had been fully taken into consideration; the balancing of India's budget was not a measure which could be further delayed without damage to her credit; and the circumstances of the year were such that the enhancement of the salt duty would press lightly on the poor on account of the decline in the price of food-stuffs relative to wages. His Excellency pointed out that between October 1921 and December 1922 the price of food grains fell by 20 per cent.; and that between January 1922 and January 1923 the retail prices of wheat had fallen by no less than 100 per cent. in important centres of Northern India. Statistics showed that in the case of mill labourers, the amount spent on salt represented only $\frac{2}{5}$ths of one per cent. of their expenditure on food. The Viceroy therefore concluded that the increase in salt tax must have an infinitesimal effect at such a period and that in the discharge of the responsibilities placed upon him, he felt bound to "Certify" the enhancement until March 31st, 1924, when the matter would one again come before the Legislature.

Budget Balanced by Certification.

With the political effects of His Excellency the Viceroy's certification, we are concerned not here but in another place. Financially it is sufficient to notice that the Government of India after five years of deficits have at last achieved a balanced budget. There are thus good grounds for optimism in the future. The monsoon of the year 1922 was favourable, and, as will be demonstrated below, India's export trade has already taken a turn for the better. Her currency is in a secure position, and the metallic reserve of silver seems fully ample to maintain the convertibility of her paper. Between December 1921 and December

Present Position and Future Prospects.

1922, the circulation of currency notes had increased only from Rs. 17,253 lakhs (£115 millions) to Rs. 17,418 lakhs (£116⅓ millions), while the silver coin in the currency reserve had increased from Rs. 6,976 lakhs (£46½ millions) to Rs. 8,204 lakhs (£54⅔ millions). In addition, there was in March 1923 in the paper currency reserve a sum of £24 millions in gold, and £5¾ millions sterling in sterling securities easily convertible into foreign exchange. Over and above and outside these reserves, India possessed £40 millions in the gold standard reserve.

Further gratifying evidence of India's general financial stability was provided in the course of the year 1922 by the success of her rupee and sterling loans.

Loans.

The 1922 rupee loan was for an unlimited amount and consisted of two series, 5-year 6 per cent. bonds, 1927, free of income-tax; and 10-year 6 per cent. bonds, 1932, also free of income-tax. The bonds were issued at par and subscriptions in cash were received from 3rd July to 14th August inclusive. The total amounts realised were nearly Rs. 47 crores (£31⅓ millions), of which Rs. 27·38 crores (£18¼ millions) were realised by the 5-year 6 per cent. bonds. As compared with 1921 loan, there was a marked increase in subscriptions for the longer term bond. In that year, the percentage of subscriptions to the 5-year and 10-year bonds were 77 and 23 respectively, but in the previous year, the proportions were 58 and 42. The general dullness of trade and ease of the money market, which was commented on in connection with last year's loan, was equally marked on the present occasion, and must be held in no small degree responsible for the unqualified success achieved. The total value of cash subscriptions to the loan amounted to Rs. 42·3 crores (£28⅕ millions), as against the corresponding figure of Rs. 37·1 crores (£24⅘ millions) for the previous loan. The balance was paid in 5½ per cent. war bonds, which accounted for Rs. 3·3 crores (£2⅕ millions) and in Indian Treasury Bills. Effective steps were taken to advertise the loan, as in 1921. The co-operation between the Finance Department and the Publicity Department enabled posters in English and in vernaculars to be displayed prominently at railway stations, post offices and other common meeting places. Lantern slides were exhibited in the more important cinematograph theatres throughout India; and leaflets were issued to leading banks and firms for enclosure in letters to their clients. The borrowings of the Government of India during this period were not confined to rupees. Both in June 1922 and in October 1922 loans were floated in London. In the first month a

loan to the nominal amount of £12½ millions sterling, bearing 5½ per cent. interest and repayable at par in January 1932, was issued at 96. The amount was quickly subscribed. In October 1922, a long term loan to a nominal amount of £20 millions, bearing interest at 4½ per cent., was issued at 85. The terms of the loan provided that if not previously redeemed the stock will be repaid at par in May 1955; but the Secretary of State for India reserved to himself the right of giving three calendar months' notice to redeem the loan at par on any half-yearly interest date after May 1950. The success of both these loans was gratifying.

Indian Banking.

In previous reports mention has been made of the importance to the development of Indian trade of the extension of the banking facilities with which India is now so imperfectly provided. There have been of late years certain steady, if slow, improvements in this direction. According to the latest figures available, the pre-war year 1913 showed 12 Exchange Banks doing business in India, while in 1921 the total number had risen to 17. Before the War, the aggregate capital and reserve of the Banks amounted to £37 millions, and their deposits in India to £31 millions By 1921, the aggregate capital and reserves amounted to £111 millions. and deposits in India to £75 millions. Indian Joint Stock Banks with a paid-up capital and reserve of Rs. 5 lakhs (£33,000) and over have increased from 18 in 1913 to 27 in 1921; while their capital and reserves have increased in the same period from Rs. 364 lakhs (£2⅔ millions) to Rs. 1,239 lakhs (£8¼ millions). The deposits of the three Presidency Banks which are now amalgamated as the Imperial Bank of India rose from Rs. 588 lakhs (£4 millions) in 1913 to Rs. 977 lakhs (£6½ millions) in 1921. The amalgamation to which reference has just been made was consummated in January 1921 by the disruption and reconstruction of the three Presidency Banks of Bengal, Bombay and Madras.

The Imperial Bank.

The idea of a Central Bank had been under discussion for over three-quarters of a century; but it was principally as a result of war experience that the three banks realised the necessity of coming to an arrangement among themselves. Under the Imperial Bank of India Act, the nominal capital of the Bank is trebled, the capital of the three Presidency Banks being Rs. 3¾ crores (£2½ millions) and the additional authorised capital Rs. 7½ crores (£5 millions) in shares of Rs. 500 (£33) each. The control of the policy of the Bank is in the hands of a Central Board of Governors, while

local affairs are controlled by local Boards at Calcutta, Bombay and Madras, which are the lineal successors of the Directorates of the old Presidency Banks. The Presidents, Vice-Presidents and Secretaries of these local Boards are on the Central Board upon which the Governor General in Council is empowered to nominate four non-officials. The Board is completed by two Managing Governors and the Controller of the Currency or another officer nominated by the Governor General. The Act retains with some slight modifications the limitations of the class of business in which the Bank may be engaged. The greatest innovation is the constitution of a London Office. By agreement with the Administration, all the general banking business of Government is conducted by the Bank, which is intended to hold all treasury balances wherever it has branches. The Bank further undertakes to open one hundred new branches within five years, the location of one in every four being at the absolute discretion of Government. One of the important clauses of this agreement empowers the Governor General in Council to issue instructions to the Bank in respect of any matter which in his opinion vitally affects his financial policy or the safety of the Government balances. It further provides that the Controller of the Currency or other officer nominated by the Governor General in Council to the Central Board may prevent any action being taken by the Board until the previous approval of the Governor General in Council has been attained, if he considers such action detrimental to the financial policy of Government.

That the number of Banks at present existing in India is wholly inadequate to the real needs of the country must be perfectly plain, from the fact that there are at present in all India under 100 head offices of Banks with 322 branches. The proportion of the total towns in India with a population of 10,000 and over in which Banks and their branches are situated is still only 25 per cent. Moreover in some 20 per cent. of the 75 towns possessing a population of over 50,000 there are no banks at all. Unfortunately the habit of investment is still comparatively undeveloped in India, its place being taken by hoarding and by the conversion of bullion into jewellery. Everyone who has studied the subject agrees that a wonderful era of prosperity awaits the country the moment that investment becomes anything like as general a practice as it is in England and in France. The Administration is fully alive to the necessity of increasing banking facilities throughout the country at large ; and among the essential features of the Imperial Bank scheme

India and the Investment Habit.

just described is the undertaking that 100 new branches will be opened within five years. The Government of India is contemplating, at the moment of writing, a systematic effort to increase public interest in the sales of post office cash certificates. If non-official effort can be enlisted in such a way as to second the action of the Administration, it should be possible by the development of the cash certificate system to finance a considerable portion of provincial capital expenditure. The stimulus both to thrift and to industry which will result therefrom might well, in the course of a few decades, change the whole economic position of India.

Trade in 1921-22.

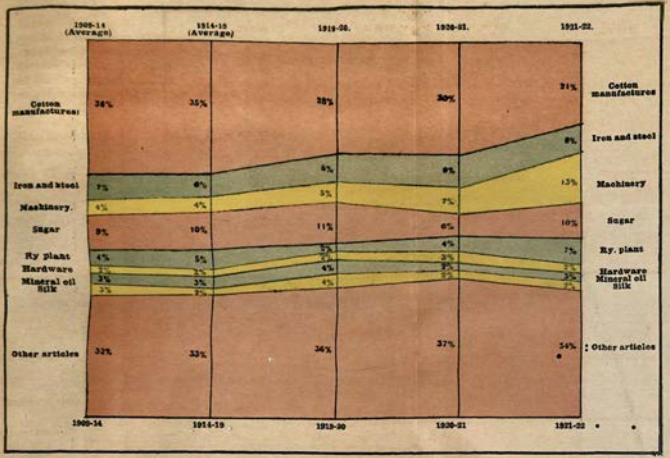
In sketching the financial situation of India, we have already described in summary form the general economic characteristics of the year 1921-22. For the sake of completeness, we may now proceed to analyse briefly the trade returns both of this year and of the remaining months of the period with which this volume is concerned. It may be noticed that there were serious depression and stagnation in most lines of trade during the year 1921-22. For overseas trade in particular it was a poor year. The total sea-borne trade of India, including private and Government merchandise and treasure, amounted to Rs. 579 crores as against Rs. 675 crores in the preceding year. The imports of private merchandise declined seriously from Rs. 335 crores in 1920-21 to Rs. 266 crores in 1921-22 ; while the total exports of private merchandise revealed a less serious decline, amounting to Rs. 245 crores as against Rs. 258 crores in the previous year. These figures reflect the almost unrelieved depression of 1921-22, a consequence first of the heavy stocks on hand of most of the commodities which India imports ; and secondly of the lack of purchasing power of most of the markets to which she normally exports her own commodities. In this connection it may be noticed that a comparison of the values of imports and exports of merchandise only, on the basis of the declared values in 1913-14, reveals an approximate decline in total trade from Rs. 427 crores in the pre-war year to Rs. 306 crores in the year under review.

Imports.—1. Cotton.

Taking first of all the import trade we find that cotton manufactures are still the most prominent of individual items. The total imports under this head decreased in value from Rs. 102 crores in 1920-21 to Rs. 57 crores in 1921-22. The decline was principally due to the deadlock over exchange, and secondarily, though in a less important degree, to the vigorous revival

Variations in the shares of the principal articles in the import and export trade of British India during the last three years as compared with averages of the pre-war and war periods.

IMPORTS



EXPORTS.

of the campaign in favour of Indian-made piece-goods. This latter fact was probably instrumental in encouraging the imports of cotton twist and yarn, which increased in quantity from 47 million lbs. in 1920-21 to 57 million lbs. in 1921-22. There was a striking increase in the imports of 31's and over, from 28 million lbs. in 1920-21 to 36 million lbs. in 1921-22. It may be noticed that this is the class of yarn most suitable for handlooms; and, in addition to the large quantities imported, this class accounts for the major portion of the increased production of cotton twist and yarn by Indian mills themselves, which amounted to 692 million lbs. in 1921-22 as against 660 million lbs. in 1920-21. Of the reduced importation of cotton piece-goods, the most striking feature was the preponderance of grey goods and the very small quantity of coloured, printed and dyed goods. It may be noticed that as compared with the previous year the United Kingdom considerably improved her position in Indian cotton markets, *vis-à-vis* Japan; her percentage share in the imports of grey goods rising from 72 to 83; and of white goods from 96·9 to 97·8. Under grey goods a striking feature of the year was the importation of 21 million yards from the United States as compared with 8 million yards in 1920-21. It should be noticed that a certain amount of grey cloth, both imported and Indian mill-made, was sold in India as homespun (*khaddar*); but this was a very minor factor in the increased demands for grey goods.

2. Machinery.

The second place in the import trade during the year 1921-22 was occupied by machinery and mill work; the total value of importations increasing from Rs. 24 crores in 1920-21 to Rs. 35½ crores in 1921-22. The value of the total textile machinery imported rose from Rs. 673 lakhs to Rs. 1,282 lakhs, of which 97 per cent. came from the United Kingdom. Of the total imports of machinery and mill work including belting for machinery and printing machinery the United Kingdom enjoyed 83 per cent., as compared with 79 per cent. in the preceding year; the share of the United States falling from 17 per cent. to a little over 13 per cent. Third among the commodities of India's import trade was sugar. India has resumed her pre-war normal position as the third largest importer of sugar in the world, following only the United States and the United Kingdom. The total value of sugar imported during the year under review amounted to Rs. 27½ crores. By far the largest quantity, namely, 623,000 tons out of 717,000 tons, came from Java; while Mauritius was a poor second with 61,000 tons. Imports of beet

3. Sugar.

sugar, which have been considerably interrupted since the war, rose to some 14,000 tons, the major portion coming from Belgium. The fourth most important item in India's import trade during 1921-22 was iron and steel. Since most of the Continental countries had considerable quantities of war scrap available, and since standards of living were there much lower, measured in sterling, than in the United Kingdom and in the United States, there were drastic cuts in prices, with the result that a great deal of Indian trade went to Germany and to Belgium. The former country supplied 10 per cent. and the latter 26 per cent.; while imports from the United Kingdom declined to 46 per cent. in proportion, and in quantity to less than half the 1913-14 figure. Towards the end of 1921-22 supplies from Germany became irregular, delays occurred, and dates of delivery uncertain. Belgian supplies also suffered from the same defects, though not so markedly. In consequence, the rush to place orders on the Continent was to some extent restrained; the promptness and the certainty of British supplies counterbalancing higher prices. Next in importance comes the heading of railway plant and rolling stock. Large orders were placed on account of post-war reconstruction and replacements; with the result that imports on private and Government account combined were valued at Rs. 2,133 lakhs in 1921-22 as compared with Rs. 1,648 lakhs in 1919-20. The somewhat unusual features of the period 1921-22 are reflected in the prominence of the two next items. Owing to the shortage of the wheat crop there was a large importation of wheat from Australia and from the Pacific Coast of the United States, amounting to 440,000 tons valued at Rs. 914 lakhs. This large figure was a result of the stimulation of imports both on Government and on private account. The importations of coal were also quite abnormal, due first to local shortage resulting from labour troubles in the Indian collieries, and secondly to sensational reductions of prices in the United Kingdom. During 1921-22 no less than 1·5 million tons were imported into India as compared with 86,000 tons in the preceding year. Of this quantity 705,000 tons came from the United Kingdom. The item of hardware which includes such things as tools, metal lamps, enamel ironware, agricultural implements and the like declined in value from Rs. 9 crores in 1920-21 to Rs. 6 crores in 1921-22. The United Kingdom increased her share from 58 per cent. to 62 per cent., while both the United States and

4. Iron and Steel.

5. Railway Plant, etc.

6. Wheat.

7. Coal.

8. Hardware.

Japan suffered in comparison with Germany whose share rose from 3 per cent. to 10 per cent. In mineral oils there was also a decline, the figure of imports falling from 57 million gallons in 1920-21 to 46 million gallons in 1921-22; but it may be noticed that coastwise imports from Burma to India proper increased to 116 million gallons as compared with 100 million gallons in the preceding year. As prices of kerosene had a downward tendency during the year under review, the value of the imports declined from Rs. 431 lakhs in 1920-21 to Rs. 346 lakhs in 1921-22. The figures for the imports of motor-cars and motor-cycles reflected the extreme satiety which prevailed during this period after the excessive importations of the preceding years. The motor-car habit had been steadily growing in India before the war, and after the armistice there was a large unsatisfied demand backed by a considerable accumulation of purchasing power. Importers overestimated to a serious extent the scope of the real market, so that the importation of more than 25,000 cars in twenty-four months left very heavy stocks on the hands of dealers at the beginning of the year under review. As against the importation of 15,432 cars valued at Rs. 782 lakhs in 1920-21 there were imported into India during 1921-22 only 2,895 cars valued at Rs. 174 lakhs. Of these, 790 came from the United Kingdom, 576 from Canada and 802 from the United States. Among other items which showed a marked decline were raw and manufactured silk—a natural consequence of the year of severe trade depression—and imported liquors, particularly of the more expensive kinds, such as wines, brandies and liqueurs.

9. Mineral Oils.

10. Motor-cars.

11. Silk and Liquors.

Turning now to the export trade of India during the year under review, we may notice that the most important item was jute. The world demand for jute is based on its being the cheapest fibre available for bagging agricultural produce. But during 1921-22 there were many factors which tended to reduce consumption. Central Europe and Russia were widely disorganized; the demand from South America declined owing to trade fluctuations. The shipments of both raw and manufactured jute were therefore much reduced; falling in weight by 15 per cent. and in value by 36 per cent. below last year's figure. Cotton is second only to jute in its importance to India's export trade. Exports of raw cotton increased to 2,989 thousand bales in 1921-22 as against 2,074 thousand bales in 1920-21. The principal consumer, as in

Exports.—1. Jute.

2. Cotton.

previous years, was Japan, who imports no less than 50 per cent. of her overseas cotton from India. It is doubtful, it may be noticed, how long this state of affairs will continue, since Japan is making every effort to increase the amount of home-grown cotton available, and the cotton output of Korea is rapidly increasing. Turning from raw to manufactured cotton we may notice that the cotton spinning industry had another prosperous year. The internal demand was strong enough to absorb not only larger imports, but also the greater production of the Indian mills. This must be ascribed in considerable degree to the political movement in favour of the wearing of homespun (*khaddar*), a term which was so stretched as to include not only cloth woven by hand from mill-made yarn, but even mill-made cloth of a low count. The markedly reduced imports combined with the absence of serious labour troubles constituted a great source of strength to Indian mills during 1921-22. The total export of piece-goods increased from 146 million yards in the previous year to 161 million yards in the year under review. The total production of Indian mills increased from 1,580 million yards to 1,731 million yards; but as the importations fell off from 1,509 million yards to 1,089 million yards, the total balance available for local consumption, after the deduction of the exports of Indian and foreign piece-goods, declined from 2,883 million yards to 2,587 million yards. The third most important item in India's export trade during 1921-22 is represented by hides and skins. The quantities of these commodities exported rose to 48,000 tons from 31,000 tons in 1920-21. This, however, was accompanied by a serious reduction in price as a result of which the value only increased from Rs. 525 lakhs to Rs. 598 lakhs. There had been abnormally heavy shipments to the United Kingdom and the United States in 1919-20, which resulted in those markets being heavily overstocked. The United Kingdom remained in this condition throughout the year under review, but the United States, although they reduced their takings of hides to a negligible figure, very considerably increased their consumption of skins.

3. Hides and Skins.

Oil-seeds, particularly linseed, rape and sesamum, have always bulked largely in Indian export trade, and in 1921-22 they increased their total share from 7 per cent. to 8 per cent. The United Kingdom took a much reduced quantity of linseed, 83,000 tons as compared with 136,000 tons in the previous year; but Continental consumption almost doubled, the increase being most marked in the case of France and Italy. The most notable increase in this class of export was represented by ground-nuts, the quantity shipped

4. Oil-seeds.

from India rising to 236,000 tons as against 104,000 tons in 1920-21. The major portion of this increase is due to a striking growth in the quantities taken by France, who imported 149,000 tons in 1921-22 as against 39,000 tons in 1920-21. In view of the serious competition which Indian ground-nuts have to meet from Senegal, this figure must be regarded as satisfactory. Another interesting characteristic of India's export trade during the year is the recovery under tea. In 1920-21 this commodity had experienced a most disastrous slump; but thanks to a short crop and fine plucking the year closed with no stocks of unsold tea in India as compared with 40 million lbs. in the previous years. Nearly all gardens showed a profit on the year's working, some paid dividends and most were able to wipe out previous deficits. The percentage of India's share of the total imports of tea improved in the case of the United Kingdom to 64 per cent. as compared with 58 per cent. in 1920; in the case of France to 18 per cent. as against 15 per cent. last year, and in the case of Canada to more than 60 per cent. The total quantities of tea exported from India in 1921-22 was nearly 314 million pounds as against 286 million pounds in the previous year. Food grains and flour which usually bulk so large in India's export trade declined from 13 per cent. in 1920-21 to 5 per cent. during the year under review. The important crops of wheat and rice remained under control throughout. In the case of the latter commodity, licenses for export were freely granted during the early part of the year; and a strong German demand led to 1·4 million tons being exported as against 1 million tons in 1920-21. In the case of wheat, exports receded, owing to control, from 0·24 million tons valued at Rs. 410 lakhs to 0·08 million tons valued at Rs. 147 lakhs. The bulk of the whole Indian crop was either consumed locally or went to augment local stocks depleted on account of the failure of the monsoon in 1920. Among other items of the export trade we may notice that the exports of lac reached 435,000 cwts., the highest total recorded since 1909-10. As prices fell considerably, the total value increased only from Rs. 758 lakhs in 1920-21 to Rs. 792 lakhs. As usual, the bulk of the shipments went to the United States. Exports of raw wool improved from 23 million lbs. to 32 million lbs., but here again the value increased only by the small margin between Rs. 226 lakhs and Rs. 254 lakhs.

5. Tea.

6. Food Grains and Flour.

7. Miscellaneous.

In examining the direction of trade, we shall find that India's exports usually exceed her imports in the case of all countries with which she

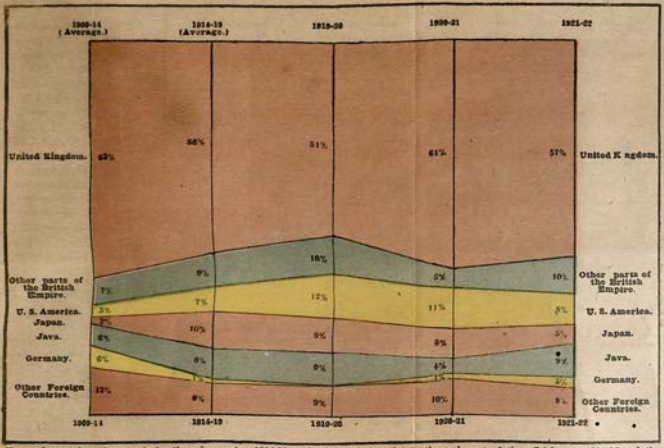
deals in large quantities excepting the United Kingdom, where the reverse has always been the case. It will be noticed from the charts that the United Kingdom has not yet entirely regained the share of trade which she lost during the war to the United States and Japan ; her percentage share in imports falling from about 61 in 1920-21 to 57 in 1921-22, and in exports from 22 to 20. On the other hand, the share of the Dominions and other British possessions in the import trade improved from 5 to 10 per cent. and in the total trade from 12 to 15 per cent. The British Empire as a whole had 54 per cent. of the total trade (67 per cent. of the imports and 41 per cent. of the exports) as against 56 per cent. (66 per cent. of the imports and 43 per cent. of the exports) in 1920-21. The United States has not been able to maintain the strong position she acquired during the war, but her share both in imports and exports is still distinctly higher than in 1913-14. The same remark applies to Japan on the import side ; but on the export side her share was swollen in the year under review by receiving large quantities of cotton. Germany, it is interesting to notice, though still far from regaining her pre-war position of the second most important country in India's foreign trade, has already improved very considerably as compared with 1919-20. A remarkable feature both of the import and the export side is the steady growth of India's trade with East Africa and Zanzibar. If we observe the direction of trade in a few of the more important commodities we shall discover that the United States has consolidated in iron and steel the position which she built up during the war. During 1921-22 the United Kingdom lost seriously both to Belgium and to Germany. In machinery, while the United States retained a good deal of the ground she won during the war, the United Kingdom improved her share from 78 per cent. to 83 per cent. The position as regards these countries is approximately the same in the case of hardware also. Under the heading of motor-cars the United Kingdom improved her position from 31 to 50 per cent., while the United States fell back from 53 per cent. to 25 per cent. In railway plant the position of the United Kingdom remained unchallenged. Upon the export side, the most remarkable features relating to tea are the disappearance of Russia and the considerable increase in the share of the United Kingdom. Under raw jute, the considerable increase in the share taken by Germany of the small exports of 1912-22 is particularly noticeable ; since it improved from 14½ to 30 per cent. Raw cotton exports are going very much more to Japan and China than before the war and very much

Direction of Trade.

Some Comparisons.

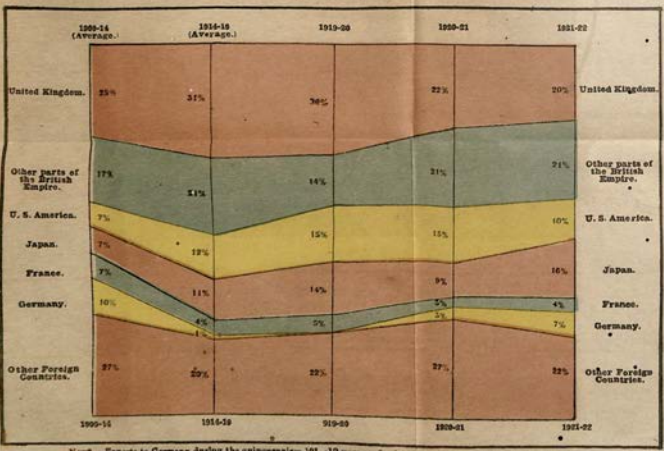
Variations in the shares of the principal countries in the Import and Export trade of British India during the last three years, as compared with averages of the pre-war and war periods.

IMPORTS.



NOTE.—Imports from Germany during the quinquennium 1914-19 consisted mostly of receipts in the early part of the official year 1914-15, and the residue of cargoes of prize vessels imported during the war period.

EXPORTS.



NOTE.—Exports to Germany during the quinquennium 1914-19 were confined to the early part of the official year 1914-15.

less to the Continent. Exports of hides and skins were, as already noticed, on a comparatively low level; but the share taken by the United States improved from 33 to 34 per cent., and that of Germany from 4½ to 9½ per cent.

The share of individual countries is a matter of some interest. The imports from the United Kingdom decreased by 27 per cent. to Rs. 151 crores; while the value of the exports to that country showed a decline from Rs. 56 crores to Rs. 49 crores. Nearly 31 per cent. of the total imports consisted of cotton manufactures, which were valued at Rs. 47 crores as against Rs. 81 crores in the previous year. The other important groups, namely, metals and manufactures, machinery, railway plant and rolling stock, accounted for 41 per cent. of the total imports as against 29 per cent. in 1920-21. The principal articles exported to the United Kingdom were tea (over Rs. 16 crores), raw and manufactured jute (nearly Rs. 5 crores), seeds (Rs. 4 crores), food grains (Rs. 3 crores), raw and tanned hides and skins (Rs. 3¼ crores) and raw wool (Rs. 2½ crores).

Other British Possessions.

As regards other British possessions, the total imports rose from Rs. 17 crores to Rs. 26 crores, while the exports fell from Rs. 54 crores to Rs. 52 crores. It may be noticed that the trade with South Africa has expanded considerably. Imports from the Union were valued at Rs. 16 lakhs in 1920-21 as against Rs. 145 lakhs in 1921-22, the increase being mainly attributable to large imports of coal from Natal. Exports to the Union increased from Rs. 182 lakhs in 1920-21 to Rs. 227 lakhs in 1921-22. The value of the total trade with Australia likewise increased from Rs. 750 lakhs to Rs. 1,349 lakhs, to which exports contributed Rs. 405 lakhs and imports Rs. 944 lakhs. The increase was due principally to the importation of 400,000 tons of wheat, but India also increased her purchases of wool and condensed milk. From India, Australia took less jute bags, rice and linseed, but increased her imports of tea, coffee and raw goat-skins.

Japan.

Japan succeeded in ousting the United States from the second place in India's foreign trade, the value of her total trade increasing by Rs. 2 crores to Rs. 52 crores. As in the previous year, Japan supplied the bulk of the imports of glass-ware, matches and silk manufactures. Of the exports to Japan, raw cotton accounted for 84 per cent. of the total value. Shipments to Japan of raw jute, gunny bags, indigo, paraffin wax and certain other commodities increased, while opium decreased. The United States, which fell back to third place in India's foreign trade in 1921-22, decreased her exports to India by Rs. 14 crores

to Rs. 22 crores; while her imports of Indian goods decreased by Rs. 12 crores to Rs. 26 crores. The principal articles shipped by the United States were motor-vehicles, mineral oils, iron, steel, machinery, mill work and hardware. The bulk of the exports to the United States consisted of raw and manufactured jute, shellac and hides and skins. As we have already noticed, Germany made considerable progress during the year under review in the restoration of her trade connections with India. Imports from this country increased in value by 52 per cent. to Rs. 725 lakhs. India's exports to Germany expanded no less than 85 per cent. to Rs. 1,634 lakhs. Even so, the imports were 23 per cent. below the pre-war average and the exports 27 per cent. As compared with the preceding year increases were particularly noticeable in dyes, iron, steel, hardware, machinery, glass-ware, beer and printing paper; while there were decreases under salt, cotton goods, and silk goods. There was, however, a substantial recovery of India's pre-war trade with Germany in raw jute, raw cotton, hides and skins, seeds, raw hemp and rice.

United States.

Germany.

Before examining the balance of trade in the year 1921-22, we may point out that in normal years there is a large surplus of exports over imports of private merchandise, which is liquidated by the payment of interest on debt and other Home charges, together with the importation of precious metals. The average credit balance of merchandise was Rs. 78 crores in the five pre-war years and Rs. 76 crores during the war years. In 1919-20, a year of unprecedentedly large volume of trade, this credit balance rose to Rs. 129 crores. In 1920-21, on the other hand, there was a debit balance of nearly 78 crores; which during the year under review had improved to a debit balance of Rs. 21 crores. The total visible balance of trade as measured by statistics of merchandise, treasure, enfaced rupee paper and the like during 1921-22 was against India to the extent of Rs. 32 crores as compared with a debit balance of Rs. 48½ crores in the previous year. This reduction in the adverse balance indicates a tendency to return to normal conditions.

Balance of Trade.

In the preceding paragraphs we have been dealing with India's trade during the financial year 1921-22, which is the latest date for which the detailed analysis presented in the annual publication known as the Review of the Trade of India is available. During the last nine months of the calendar year 1922 the tendencies which have been indicated continued to operate.

Calendar year 1922.

As compared with the corresponding period of 1921, the value of India's imports in the nine months April to December 1922 decreased by Rs. 24 crores to Rs. 173 crores; but the total exports, including re-exports, increased by Rs. 48 crores to Rs. 220 crores. The grand total of imports, exports and re-exports amounted to Rs. 393 crores, an increase of Rs. 24 crores or 6 per cent. over the previous year. Owing to the improved conditions of India's own food stocks, the nine months April to December showed a decrease of Rs. 4 crores in the value of imported food grains. There was also a large decrease amounting to Rs. 11 crores in the amount of sugar imported, while the return to a more normal condition in the matter of coal supply is indicated by decreased imports to the extent of nearly 1½ crores. The value of electrical instruments imported declined by Rs. 1·7 crores. Among the most important increases may be mentioned Rs. 4·8 crores in grey goods, Rs. 2·9 crores in coloured goods and Rs. 1·9 crores in white goods—figures which may be taken as an indication that the piece-goods trade is beginning to revert to normal conditions. As already noticed, India's exports have shown a marked tendency to increase during this period. Among the heaviest items may be mentioned an increase of Rs. 9 crores in exported rice; of Rs. 8·6 crores in raw jute; of Rs. 6·1 crores in gunny cloth; of Rs. 5 crores in raw cotton; of Rs. 3·9 crores in linseed; of Rs. 3·6 crores in tea, and Rs. 2·6 crores in rape-seed. Every month from April to December 1922 revealed a substantial increase in the export trade over the corresponding figures of the previous year, varying from Rs. 1·2 crores in September to Rs. 8·1 crores in November. This improvement in the export trade, which is all the more encouraging considering the impoverishment of a number of India's former customers, is symptomatic of gradual return to normalcy in India's trade conditions. One notable feature has been a great increase in the trade between India and what may be called for convenience "distressed Europe," including therein Germany, France, Russia, Belgium, Italy, Austria-Hungary and Turkey. During the eleven months ending November 1922 India's exports to these countries increased to Rs. 5,009 lakhs as against Rs. 3,134 lakhs in the corresponding period of 1921. The imports into India from these countries also increased to Rs. 2,035 lakhs from Rs. 1,611 lakhs. There is thus reason for mild optimism even in the near future, particularly when it is remembered that during the first ten months of the financial year 1922-23 the net balance of trade has swung over in favour of India to the extent of 21 crores.

Gradual Return towards Normalcy.

Summary for 1922-23.

During the first three months of the calendar year 1923, these encouraging tendencies became still further marked. In March, the value of the exports of Indian produce and manufactures surpassed all previous records, touching high-water-mark at Rs. 3,120 lakhs ; while the wheat crop now being harvested is confidently expected to give a record yield. The latest summary returns for the official year 1922-23 show that while India's imports of private merchandise have declined from Rs. 26,635 lakhs to Rs. 23,259 lakhs, her exports have increased from Rs. 23,138 lakhs to Rs. 29,885 lakhs. Re-exports increased from Rs. 1,406 lakhs to Rs. 1,516 lakhs. As a result, the balance of trade at the end of 1922-23 has swung over in favour of India to the extent of Rs. 2,832 lakhs ; which is a striking contrast to the balance of Rs. 13,180 lakhs against India which marked the year 1921-22.

The Tariff.

Vitally connected with the commercial prosperity of India is the question of the tariff. For the last quarter of a century Indian political opinion has consistently demanded the formulation of some scheme of protection, under the ægis of which the industrial progress of the country might be assured. In this sphere, as in so many others, the introduction of the Montagu-Chelmsford Reforms marks the commencement of a new era. In consequence of the changed relations between India and Great Britain resulting therefrom, it has been laid down that India will control to an increasing extent her own fiscal policy. As a matter of convention it is agreed that the Secretary of State should normally refrain from interference in fiscal matters, where the Government of India and the Indian Legislature are at one. In accordance with a strong desire on the part of non-official members of the Council of State and the Legislative Assembly, that early steps should be taken to realise the fullest possible benefit which India can derive under the new convention, the Government of India appointed, in October 1921, a Commission of officials and non-officials with the following Terms of Reference : " To examine with reference to all the interests concerned the Tariff policy of the Government of India, including the question of the desirability of adopting the principle of Imperial Preference, and to make recommendations." The Commission consisted of Sir Ibrahim Rahimtoola, as President, and Mr. T. V. Seshagiri Aiyar, Mr. G. D. Birla, Mr. J. C. Coyajee, Sir M. B. Dadabhoy, Mr. Jamnadas Dwarkadas, Sir E. Holberton, Mr. R. A. Mant, Mr. Narottam Morarjee, Mr. C. W. Rhodes, and Sir M. deP. Webb. Professor J. M. Keynes, who was among the

original members appointed by the Government of India, was unfortunately prevented from serving upon it. The Commission began its investigations in November 1921, and the conclusions of the members were published in the summer of 1922. The main report was signed by all the members of the Commission, but the President, and Messrs. Seshagiri Aiyar, Birla, Jamnadas Dwarkadas and Narottam Morarjee appended a minute of dissent. The preliminary conclusions formulated in the Report recommended the Government of India to adopt a policy of protection, to be applied with discrimination along the general lines hereafter indicated. In the selection of industries for protection and in the degree of protection to be afforded, it was stated, care should be exercised to make the inevitable burden on the community as light as is consistent with the due development of industries. The Report recommended the creation of a permanent Tariff Board, consisting of three members nominated by Government, to investigate the claims of particular industries to protection, to watch the operation of the tariff and generally to advise the Government and the Legislature in carrying out the policy formulated by the Commission. This Tariff Board, in dealing with claims for protection, should satisfy itself that the industry seeking protection possessed natural advantages; secondly, that without the help of protection it was not likely to develop; and thirdly, that it would eventually be able to face world competition unprotected. The Commission further proposed that raw materials and machinery should ordinarily be admitted free of duty, and that semi-manufactured goods used in Indian industries should be taxed as lightly as possible. Industries essential for the purpose of national defence and for the development of which Indian conditions are not unfavourable should receive adequate protection so far as necessary. It was also recommended that no export duties should be ordinarily imposed except for purely revenue purposes and then only at very low rates, but that when it was considered necessary to restrict the export of food grains such restriction should be effected by temporary export duties. Dealing with the question of Imperial preference, which was among the most important items of their terms of reference, the Fiscal Commission suggested that no general system of Imperial preference should be introduced, but that the question of adopting a policy of preferential duties on a limited number of commodities should be referred to the Indian Legislature after the Tariff Board had conducted a preliminary examina-

The Fiscal Commission.

Recommendations.

tion. This policy was to be governed by certain principles. In the first place no preference should be granted on any article without the approval of the Legislature ; no preference should be given in such a way as to diminish the protection required by Indian industries ; and no preference should involve on balance any appreciable economic loss to India. It was further proposed that any preferences which it might be found possible to give to the United Kingdom should be granted as a free gift, but that in the case of the other parts of the Empire, preference should be granted only by agreements mutually advantageous. Among the subsidiary recommendations which the Commission put forward was the abolition of the cotton excise duty ; the promotion of industrial development by providing opportunities for apprenticeship, for the increased mobility of labour, and for a greater industrial bias in primary education. The report also suggested that difficulties in the shape of shipping rebates or unfair advantages like dumping, depreciated exchange, and bounty-fed imports from abroad should be investigated and, where possible, removed. No obstacle should be raised, it was asserted, to the free inflow of foreign capital, but Government monopolies and concessions should be granted only to Companies incorporated and registered in India on rupee capital and with a reasonable proportion of Indian directors. The supplementary Minute of Dissent, while not disagreeing with the conclusions set forth above, considered that the recommendations of the Committee were hedged in by conditions and provisos calculated to impair their utility. Those who signed the minute maintained the necessity for an unqualified pronouncement that the fiscal policy best suited for India is protection. The signatories also desired to underline and strengthen the language of the main report in certain places where they considered it as half-hearted and apologetic. They expressed disagreement with their colleagues on the matters of excise, foreign capital, Imperial preference and the constitution of the Tariff Board. Generally speaking, however, the broad unanimity of the recommendations put forward by the Commission as a whole was little impaired by the Minute of Dissent, of which indeed the outspoken language served to commend the entire document to sections of Indian opinion who might otherwise have denounced the conclusions as half-hearted.

The Minute of Dissent.

The Report inevitably met with severe criticism from many quarters. On the one side, the European commercial community, which is predominantly free-

Reception of the Report.

trade in its views, joined hands with the landed and agricultural interests to denounce the burden which a policy of protection would necessarily impose upon the vast consuming population of India. On the other, advanced political opinion, together with the indigenous manufacturing interests, condemned the Report as mealy-mouthed and unsatisfactory in its cautious reservations. Between these two extremes was to be found almost every degree of dissatisfaction, ranging from traders' comments upon the meagre degree of protection aimed at, to Labourite denunciations of the "plutocratic" character of the Commission. Two facts, broadly speaking, emerged from the war of words. The first was that such Indian sentiment as exists in vocal shape upon the Tariff question is predominantly protectionist; the second, that many Indian politicians and Indian commercial magnates cherish an almost childlike belief in the prosperity which would attend the adoption of such a policy. These facts would seem to show that while the producer-class of India has devoted considerable attention to the whole matter, the mass of the population, who so far as the foreign trade is concerned are principally consumers, take little interest in it.

Attitude of Government.

In these circumstances, it was obviously necessary for Government to move with caution. That steps would have to be taken in the general direction recommended by the Commission, appeared plain. The opinion of the politically minded classes was insistent upon the necessity of some form of protection, and the Legislature echoed the demand. Moreover, as a result of the changes introduced into the Tariff during the last two years for revenue requirements, India is already for practical purposes under a kind of protectionist system, which possesses the disadvantages of being unscientific, haphazard, and insufficiently co-ordinated with commercial considerations. On the other hand, there remained with Government the responsibility of safeguarding, so far as might be, the interests of the vast majority of the rural population, who are largely unvocal and wholly unawakened to the damage which they might suffer from a policy framed in the interests of the manufacturers and of the towns.

The New Policy.

It was accordingly decided to accept in principle the recommendations of the majority Report, but to lay stress, in so doing, upon the fact that India's tariff policy must be guided as well by the requirements of revenue as by the interests of industry. When this was granted, there was every reason to revise the tariff upon a more scientific basis, which, while bringing

the necessary income into the coffers of the State, might at the same time afford adequate protection to deserving enterprise. The standpoint of Government was clearly indicated early in 1923 by Mr. C. A. Innes, the Commerce Member of the Viceroy's Council, in moving the adoption by the Legislative Assembly of a motion accepting in principle the proposition that the fiscal policy of India may be legitimately directed towards fostering the development of industries in India. In the application of this principle, the mover explained, regard must be had to the financial needs of the country and the present reliance of Government upon customs and excise ; as well as to the necessity for discrimination as laid down by the Fiscal Commission's Report. He announced that Government had decided to appoint a Tariff Board of one official and two non-officials, to hold office for one year as an experimental measure, and to constitute an investigating and advisory body, whose counsel might be at the service of the Administration in fiscal matters. After an animated debate, in which the conflicting interests of commerce and agriculture found clear expression, the Assembly adopted the official motion as constituting a reasonable compromise.

The future.

That the decision of Government and of the Assembly in the matter of fiscal policy represents a definite step in the direction which Indian national sentiment has for long been advocating, will be at once apparent. Whether the acquisition by India of unrestricted fiscal autonomy would be followed, as many people now seem to believe, by a protracted era of rigorous protection, may well be doubted, in view of the marked effect which such a policy would quickly produce upon internal prices. At present, there is reason to believe, the advocates of extreme protection derive much of their strength from the feeling, becoming every day less justified, that India is not really free to experiment in the manner she desires. Now that a beginning has been made, it is hoped that the question of the country's real interest may be settled in accordance with the dictates of common sense rather than the prejudices of political sentiment.

Indian Shipping.

In another direction, also, the year 1922-23 has witnessed an advance of a kind which has of late been insistently demanded. Partly in consequence of the shortage of shipping which characterised certain of the years since 1914, and partly owing to a belief that India, with her long seaboard, cannot realise her national aspirations by land alone, there has been growing up a desire for the establishment of an indigenous Mercantile Marine.

It is perhaps regrettable that an aspiration so entirely legitimate should have been buttressed, at least in certain quarters, by appeals to postulated naval glory in the past, and by exaggerated denunciations of "foreign" shipping combines in the present: but it should be remembered that Indian enterprise has been heavily handicapped by the lack of any encouragement or protection, and few Indian shipping companies have been able to survive the keen competition and severe rate-cutting that from time to time obtains in Indian waters. Early in 1922 the Legislature took up the matter in right earnest. The Assembly adopted a resolution moved by Sir Sivaswami Aiyar for the appointment of a committee to consider the nautical training of Indians and the establishment of an Indian Mercantile Marine: while the Council of State accepted a similar resolution by Mr. Lalubhai Samaldas. Government accordingly appointed a committee early in 1923 to consider what measures can usefully be taken to further the objects of the Resolution; and this Committee is at the moment of writing pursuing its enquiries.

The State and Industries.

The general dependence of Indian trade upon the prosperity of Indian industries needs no lengthy demonstration. The war-period gave a considerable shock to those who were anxious for the industrial progress of the country, since the notable report of the Indian Industrial Commission showed that India was unable to produce more than a small fraction of the articles essential for the maintenance of ordinary civilized activities. Rich as she is in raw material, India is still very poor in industrial achievements; and in several important branches of industry, she has to buy back manufactured articles towards which she has already contributed raw materials. The difficulty has hitherto been that without active support on the part of the Administration few Indian industries, except those based upon some natural monopoly, could hope to make headway against the organized competition of western countries. The English tendency to allow matters to follow their natural economic course accordingly prevailed, until war-experience served to change current notions as to the function of the State in relation to industries. In justice to the Indian Administration it must be remarked that some time prior to the war certain attempts to encourage Indian industries by means of pioneer factories and Government subsidies, were effectually discouraged from Whitehall. Fortunately for India, the history of the war-period has effectively demonstrated the necessity of Government playing an active part in the industrial development of India. As was mentioned in preceding reports, the labours of the

Industrial Commission led to the formulation of proposals for the organization of a central Department of Industries.

The Department of Industries and Labour.

In February 1921 the Secretary of State sanctioned the creation of such a department as a permanent branch of the Government of India. Its scope included industries and industrial intelligence, industrial exhibitions; central institutions for industrial training; geology and minerals, including the Geological Survey of India, the administration of the Indian Mines Act, the Indian Explosives Act, the Indian Petroleum Act. The Indian Factories Act and other labour legislation also fall within its sphere; while patents and designs, copyright, legislation relating to electricity and to steam boilers, stores, stationery and printing, inter-provincial migration, and salt were also transferred to it. To these important functions, after the regrouping of subjects consequent upon the Retrenchment Committee's Report, were added Meteorology and Civil Aviation, Posts and Telegraphs, Irrigation and Public Works; while salt was transferred to the Board of Inland Revenues, working as part of the Finance Department; and exhibitions to the Department of Commerce. The new department from henceforth will be known as the Department of Industries and Labour.

Central and Local Shares in Industrial Development.

With the introduction of the Montagu-Chelmsford Reforms, the development of industries has become a provincial transferred subject. The policy to be pursued in the matter of granting assistance to industries, the development of technical and industrial education, and to a large extent the research work necessary to establish the value of raw materials, is now determined by the Minister in charge of the provincial departments of industries. The constitution, however, permits the Central Government to retain control over industrial subjects when it considers such a course to be necessary. For example, the establishment of pioneer industries for the conduct of which on an adequate scale the resources of any province would be inadequate; or the establishment in similar circumstances of institutes for carrying on research and training which affect the country as a whole may be made the direct concern of the Government of India. Such questions as that of making India self-supporting in the matter of stores required for military purposes also fall within the scope of the Central Department of Industries and Labour; in which connection it may

Some Activities of the Department of Industries.

be mentioned that during the year under review an enquiry was made as to whether any firms in India could undertake the manufacture of dynamite glycerine. The Calcutta Soap Works Ltd. intimated their readiness to undertake the manufacture provided they received certain financial assistance from Government. Provision was accordingly made for the grant of a loan to the Company to enable it to purchase special refining plant, and the details of the contract were under consideration at the close of the year. Further, the Central Government is proceeding to establish a school of Mines and Geology and ultimately a Central Chemical Research Institute. The latter scheme has had to remain in abeyance on account of the financial position; but a certain progress has been made with the Dhanbad School of Mining and Geology. The scheme originally submitted by the governing body was found too expensive and a revised scheme was called for. The Legislative Assembly, which was alive to the importance of the project, voted Rs. 1 lakh for the collection of materials for the building; but in pursuance of a recommendation of the Retrenchment Committee, further expenditure on the construction of the School has been temporarily postponed.

Purchase of Stores.

Among the most important of the immediate proposals made by the Industrial Commission was probably that of the local purchase of Government and Railway stores. Although the principle that Government stores should be purchased wherever possible in India has long been accepted, the absence of any institution for the amalgamation of indents and for technical inspection during manufacture has rendered its practical application difficult. Manufacturing industries could not of course be started without a sufficient and continuous market, while orders could not be placed so long as there existed no adequate means of manufacture. The first means for breaking down this vicious circle was the institution of a machinery for bringing Government buyers into effective touch with local manufacturers. In 1919 a Committee was appointed to scrutinise Government indents with a view to their being executed in an increasing degree in India, to consider methods by which the purchase of stores could be shared by the central and local governments; and to examine the possibility of assisting railway companies and other public bodies to do the same thing. Subsequently the Secretary of State signified his approval to the constitution of an Indian Stores Department.

The Indian Stores Department.

The Chief Controller assumed charge of his post at the beginning of 1922, and proceeded to formulate a detailed scheme for the

organization. On the purchase side the Department has taken over the work of purchasing textile goods for the Army and certain civil departments. During the year under review, purchases were effected to the value of Rs. 1·7 crores. On the inspection side the two existing organizations of the Metallurgical Inspectorate at Jamshedpur and the Government Test House at Alipore have been incorporated in the Department. During the year the Metallurgical Inspector carried out tests on about 117,000 tons of material. The Test House inspected materials to the value of Rs. 1·4 crores and performed more than 4,000 tests. Among the most important of the stores now purchased in England may be mentioned those which are required for railways. Owing to the circumstances already mentioned, demands have continued to be made on Great Britain for many articles and materials which might well have been manufactured in India. Keen interest has been taken in this subject during the period under review by the Indian Legislature; and as the result of a resolution which was carried in the Assembly in March 1922, a Committee of both Houses was appointed both to advise Government on the manner in which the stores purchase rules should be revised, and also to consider what steps should be taken to establish industries capable of producing the material required by Indian railways. The Committee after two meetings decided to postpone further consideration of its terms of reference until the members had an opportunity of studying the recommendations of the Fiscal Commission. Now that these recommendations have been received their Report is shortly expected. The organization of the Indian Stores Department has led to a corresponding diminution of the work of the Surplus Stores organization, which is now only concerned with the disposal of surplus stores on behalf of His Majesty's Government. The total value of surplus stores of all kinds disposed of during the period 1st January to 1st September 1922, amounted to Rs. 286 lakhs, of which Rs. 178 lakhs was represented by textile stores, Rs. 97 lakhs by engineering and miscellaneous stores, Rs. 11 lakhs by medical stores and foodstuffs. With the gradual disposal of the stocks available, the Surplus Stores organization is destined to disappear; and already some proportion of its personnel has been absorbed into the new Indian Stores Department.

Railway Stores.

Surplus Stores.

Among the miscellaneous activities of the Department of Industries during the year under review, we may select for notice two or three of the most import-

Printing.

ant. The rapid increase in the expenditure on Government stationery and printing has been engaging the attention of the authorities for some time past; and eventually in January 1922 an experienced officer was placed on special duty to examine all possible avenues of economy. After a careful investigation, he put forward various proposals both for controlling the printing work of the Government of India and for regulating the employment of articles of stationery in the various offices. These proposals, which included a reduction of the number of forms used in the civil and military offices, and a thorough reorganization of the Government of India printing presses, were emphatically endorsed by the Inchcape Committee. To some of them effect has already been given, while others are under consideration. In connection with the general question of Government's large printing business, it may be mentioned that a scheme has recently been introduced for the training of Indian youths for supervising posts in presses; and during 1922 three apprentices have been taken into the Government Central Press, Calcutta. Another activity of the Industries Department during the year under review relates to the question of revising the Mining Rules,

Revision of Mining Rules.

particularly in connection with concessions for oil. One of the proposals under consideration is the extension of the period of prospecting licenses; and the empowering of local governments, where sufficient reasons exist, to grant mining leases for oil for a very much larger area than the rules at present permit. Among other industrial regulations of an important nature which were revised during 1922 may be mentioned those relating to

Steam Boilers.

Steam Boilers. As a result of the recommendations of a Committee appointed to consider the Boiler Laws, a Bill to consolidate and amend the law on this subject was introduced in the Legislative Assembly on the 6th September 1922 and has been finally passed by the Indian Legislature. The object of the legislation is to secure uniformity in every province in technical matters connected with Boiler Regulations, and to insist on the registration and regular inspection of all boilers throughout India. Draft Regulations prescribing the method of determining the permissible pressure for any given standard of construction and the like, have been prepared in consultation with the Board of Trade and leading Companies for promulgation when the new Act comes into operation. It may also be mentioned that during 1922 reciprocal arrangements for the protec-

Patents Protection.

tion of patents have been entered into with the United Kingdom, New Zealand, South Africa

and Ceylon. The various very notable enactments falling under the head of labour legislation, which occupied a large share of the attention of the Department of Industries during the period we are now considering, will be described in the next chapter.

Salt.

During the year 1922 an important sphere of the activities of the Industries Department was represented by the control of salt, a subject which early in 1923 has been made over for management to the Board of Inland Revenue. Salt plays a prominent part in the domestic economy of India, and the shortage in this commodity which proved so serious a trouble during the years since 1916 has compelled the Northern India Salt Revenue Department to adopt certain unusual expedients for the protection of the consumer. Towards the end of 1920, as was described in last year's Statement, agents were appointed in every district in Northern India, as well as in certain Indian States, to whom an allotment of salt from Northern India sources could be made monthly on the basis of population. The internal distribution of salt within each district was controlled by the District Officer and within each state by the Darbar, the only requirement made by the Salt Department being the limitation of commission realised by the Agent. A percentage of salt was allotted to the old established traders at the sources with a view both to preserve their business and to keeping prices down to the minimum. The system had a marked effect on prices, which fell considerably throughout the United Provinces and the Punjab; but it tended to oust the legitimate trader in favour of outsiders, and placed a serious additional burden of work both upon the Northern India Salt Revenue Department and the District Officers. Towards the close of the year 1922 accordingly the Government of India intimated that they hoped to remove the control as soon as such a step could safely be effected; and it is hoped that a return to free trade in salt may be found possible during 1923. One main obstacle to the supply of cheap salt in adequate quantity arises from the fact that the output of the Northern India sources is unequal to the demand. The tendency towards high prices which results is aggravated by defects in the system of distribution. Railway transport presents a difficulty; and impositions on the part of vendors are not always easy to defeat. Considerable efforts are now being made to raise the output of salt from the Rajputana and Punjab sources, which supply the Punjab, the United Provinces, Rajputana, the Central India Agency, the nearer parts of Sind, and to some extent the Central Provinces and Berar; but in certain of these regions the output of the

Bombay and Sind sources competes with those of Northern India. In order to render the Northern area independent of imported supplies and unaffected by the operations of the speculator, it has been calculated that the output of the Rajputana lakes and the Punjab mines must be roughly doubled. Large schemes for the development of these sources estimated to cost over half a million sterling have been launched with the advice of expert engineers. The scheme for the development of the Sambhar lake is making satisfactory progress, and it is estimated that the extra brine saved by the machinery recently installed, when the rains failed at the lake in 1921, has saved Government in salt extracted more than the total expenditure on the whole scheme up to date. The new works at Sambhar were brought near to completion and salt handled by the improved methods was brought to the new central store with great advantage to the Railway and the despatching branch. The plant ordered for the development of the Khewra Mine in the Salt Range is beginning to arrive and rapid progress should now be made both in increasing output and in expediting despatch. The year has been a period of steady progress, the results of which have fully justified the expenditure involved, and brought well into sight an outturn fully equal to the Northern India demand.

New developments.

In connection with the general popularization of Indian industries in other parts of the Empire, mention may be made of the British Industries Fair of 1922, which was organized by the Department of Overseas Trade in London. The Governments of the United Provinces, the Punjab, Burma, and Bombay participated in the Fair; and a total floor space of more than 2,000 square feet was engaged. The Indian Trade Commissioner, who supervised the arrangements on behalf of India, reported that the work done was of real value. The sales effected, and orders booked amounted to about £5,000—a gratifying increase of 20 per cent. over those received at the Fair of the previous year. Steps are also being taken to secure that India takes her proper place in the British Empire Exhibition to be held in 1924. Government moved the Legislative Assembly to consent to the provision for funds from central revenues to meet the cost of participating in this enterprise. The Assembly duly sanctioned the expenditure, and it was agreed that from it there should be defrayed the initial cost of all buildings to be erected (except the Burma exhibit which desired to be separate); the cost of a Commissioner for the Exhibition whose duties it would be to advise and assist local Governments,

Exhibitions.

Indian States, and others participating; and the cost incidental to that portion of the expenditure with which the Central Government was particularly concerned. The Government of India with the consent of the Secretary of State proceeded at once with the preliminary arrangements for the Exhibition. The High Commissioner for India took charge of the work in England, assisted by the Indian Trade Commissioner and by Advisory Committees for India and Burma which were constituted in London. Diwan Bahadur T. Vijayaraghavacharya, of the Madras Civil Service, was appointed Commissioner for India for the Exhibition; and after proceeding to England in July 1922 to make preliminary arrangements for the erection of the buildings and for other matters arising for consideration, he returned to India in October, embarking upon a tour of the Provinces and States which have decided to participate in the Exhibition. It has been decided to erect a building of Indian design covering a total space area of about 100,000 square feet, the cost of which is estimated at over £100,000. Instructions were sent to the High Commissioner to start building operations as soon as the estimate had been accepted by the Standing Finance Committee. It may be mentioned that only Indian timber will be used in the building. The main structure is to be divided into courts, a central space being reserved for exhibits of all-India interest, among which it has been decided to include a forest section and cotton exhibits. Separate courts will be allotted to Provincial Governments and Indian States which desire to have exhibitions of their own. Several of the major Provinces have intimated their desire for separate space, and there is every indication that the Exhibition will be enthusiastically supported. An Indian exhibit will also be sent to the Imperial Town Planning, Hygiene, and Tropical Diseases Section, while the Government of India will participate in the Imperial Fine Arts Section.

Co-operation between Central and local Departments of Industries.

From what has been said as to the importance of the part played by the new popular Ministers in the future direction of the industrial activities of the Provinces, it will be plain that the value of close consultation between the Central Department and the Provincial Departments is very great. During the year under review, the fourth of the regular conferences of Departments of Industries was held, at which all the provincial Ministers in charge of this subject were present except one. These conferences serve a very useful purpose; for personal discussion enables the new relations between the Central and the Provincial Governments and the future

methods of co-operation between the Provincial Departments of Industries to be better understood. The opportunity is always taken to determine lines of policy on many questions of general importance for the industrial development of India. Among the more important topics which came up for discussion in the April Conference was that of instituting the all-India Industrial and Chemical Services recommended by the Indian Industrial Commission. The general opinion of the provincial Ministers was adverse to the creation of these two services; but in view of the informal character of these conferences the Government of India addressed local Governments inviting their opinion as to whether, in view of the decision of the conference, they still wished to proceed with the institution of these services on the lines originally conceived. The difficulty apparently lies in the fact that the Indian Industrical Commission's proposals would involve the creation of new services with vested interests over which the local Governments would exercise only a limited measure of control, while the work which these services would have to perform would be entirely a provincial concern. There is thus a general feeling among the provincial Ministers that they would prefer to engage their own experts themselves on short time contracts. The idea of instituting such services has since been abandoned.

Provincial Departments of Industries.

A notable feature of the industrial progress of the country has been the increasing strength of the provincial organizations under the Ministers and Directors of Industries. A brief review of the work accomplished in particular provinces will indicate at once the importance of the field which now lies open to popular enterprise, and the unfortunate restrictions which have been placed upon its development by the financial stringency at present prevailing. In Madras, for example, considerations of economy have induced the Government to reduce the industrial engineering staff, despite the value of the work which it was performing. In other directions, however, the work of the Department of Industries continues to make a gratifying progress. An Advisory Board which was constituted at the end of 1920 sat at frequent intervals throughout the year under review; the most important of the multifarious subjects discussed at its meetings being the question of State aid to industries, to provide for which a Bill was introduced in the Legislative Council and enthusiastically carried. As evidence of the manner in which industrial enterprises are gaining in popularity it may be mention-

Madras.

ed that there was an increasing demand for the assistance of the Intelligence Bureau, which aims at aiding new industries and expanding existing enterprises by supplying private persons with expert advice on suitable markets, on sources of raw material and similar questions. The experimental enterprises carried on by Government continued to flourish. The demands on the soap factory at Calicut increased; and the completion of the buildings for the Industrial Institute at Coonoor leads to the hope that jam-making will soon be established on a commercial basis. A demonstrational textile institute has been opened, and the expert on the staff of the department has introduced several time-saving appliances for the use of weavers. Ten weaving parties toured the Presidency demonstrating the advantages of improved methods. For the first time during the year under review the Madras Industries Department undertook the control of sericultural work, and towards the end of the year a mulberry farm was opened. Chemical research work investigations were conducted into the process of coir production and the utilization of limes and tamarind as sources of citric and tartaric acids. The ink and glue manufactured by the Department always find a suitable sale, while the Trades School and the Leather Trades Institute did excellent work. In Bombay industrial life suffered from a period of considerable depression save in the sphere of cotton spinning and weaving, which enjoyed another remarkably prosperous year. Village industries did fairly well and handloom weavers in particular enjoyed a boom. The Department of Industries continued to give instruction in the use of mechanical improvements, such as fly-shuttle sleys and mechanical dobbies. Demonstrations in Calico printing at Ahmedabad resulted in the establishment of one or two small factories; and there are other signs of the Department's activities stimulating the revival of its industry. The demonstration casein factory in the Kaira district was also continued, and technical advice and assistance was furnished to a number of small industries. The production of magnesium chloride at Kharaghoda, in which the Department has taken special interest, declined through the remarkable fall in the price of the imported chemical, but the manufacturers have taken up the production of refined salt with promising results. In the pottery section, arrangements are being completed for producing floor tiles and teapots on a semi-commercial scale, while a large number of brick-making mixtures have been tested for the Bombay Development Directorate. Two State scholarships were awarded for study in Great Britain of tanning and of bleaching and dyeing, and two for the study

Bombay.

of technical chemistry and electrical engineering at the Indian Institute of Science, Bangalore.

Bengal.

In Bengal, as elsewhere, the severe depression from which almost all the industrial activities of India suffered throughout 1921 continued up to the middle of 1922, when industrial prospects began to brighten and a tendency towards inprovement set in. Among the obstacles to the industrial awakening of the Presidency may be mentioned the fact that in many industries, particularly in iron and steel, no real industrial community has yet established itself: the workmen being largely cultivators who spend a portion of each year on their land. The minor industries of the province suffered severely from the prevailing depression, and at the moment, capital even for sound industrial schemes can hardly be obtained. None the less, companies were at work, manufacturing machinery for the tea industry, and spare parts, replacement, and repairs for mill and other similar machinery. Rice mills, oil mills, and lac factories are working in the country districts, handlooms for weavers are finding favour and cottage industries are being attended with some success. Perhaps more important in its future potentialities than any other feature of the present situation, is the remarkable change in the attitude of the educated classes towards industry. There is a growing demand for technical and industrial training; and an increasing readiness to take advantage of such facilities as the Department of Industries can afford private enterprise. In the United Provinces the Department of Industries has been considerably expanded of recent years. During 1921, in addition to the two Deputy Directors appointed in accordance with the recommendations of the Indian Industrial Commission, Superintendents of Industries were placed in charge of each of the 10 divisions of the province, in order to carry out a complete survey and to report the difficulties experienced by small enterprises. At the beginning of the period immediately under review, a Stores Purchase Department was opened with the special object of encouraging industrial development. Instructions were issued by Government that stores required for public service should in all suitable cases be of Indian manufacture. The result is that many orders which would formerly have gone abroad have been placed in India; and substantial economies made possible by consolidation, and purchases in bulk have in many cases been effected. There is at Lucknow a Central Emporium in connection with the School of Arts and Crafts for the maintenance of a proper and uniform standard of work; for the

United Provinces.

regulation of supply and demand and for the discovery of adequate markets both within and without India for the products of provincial industry. Despite the prevailing trade depression, orders have been placed and goods sold for a considerable amount. Among other features of industrial activity in the United Provinces mention may be made of the Technological Institute which is to provide a place where students will be taught the elements of engineering and the chemistry of their particular subject; and at the same time will receive practical training on a factory scale in the line which they are studying. The project was mooted before the war, but it was not until 1919 that a beginning could be made. The foundation stone of the Institute building at Cawnpore was laid by His Excellency Sir Harcourt Butler in November 1921, and plans for its completion are being pushed on as rapidly as possible. The Technical School, Lucknow, is to be extended into a college for the instruction of mechanical and electrical engineers as soon as funds will permit; while the Central Wood Working Institute, the Leather Working Schools of Cawnpore and Meerut and the various Weaving Schools continue to do excellent work. In

The Punjab.

the Punjab, the Department of Industries continues to discharge its useful functions; but before any marked industrial developments can take place in this predominantly agricultural province, the three requisites of cheap power, facilities for transport and marketing, and technical education, must be provided. In the absence of an adequate supply of coal, attention is being directed to the development of the hydro-electric power which exists in the province. Meanwhile, railway transport facilities have been improved; and the Tramway Engineer has been fully employed in making surveys for agricultural tramways to assist in the marketing of agricultural products. The marketing of cottage industries is being facilitated by the establishment of the Arts and Crafts Depôt in Lahore. Here inlaid brass and ivory work, painted and chased lacquer work, pottery, damascened metal work, silver and enamelled jewellery, turned and carved ivory, carpets, embroidery, printed goods, and numerous other artistic productions of the Punjab are collected and offered for sale. Facilities for technical education of a very thorough kind in mechanical and electrical engineering, motor-car work, tanning, dyeing and boot manufacture, will shortly be available, as special institutions for these purposes are under construction by Government. In Bihar and Orissa the most important development in the Department of

Bihar and Orissa.

Industries took place in the branch of technical

and industrial education. An institute for the training of young men in the iron and steel industry was opened at Jamshedpur with the help of Government, on condition that one-third of the vacancies are reserved for boys domiciled in Bihar and Orissa. The East Indian Railway has also agreed to establish a similar institute at Jamalpur, where about 200 apprentices will be engaged, of whom half will be Indians. To this institute also the local Government have agreed to contribute On the industrial side the chief work accomplished was in the textitle branch. Considerable progress was made during the year under review in the introduction of the fly-shuttle loom, and a scheme for the estaublishme.. of seven more demonstration parties was approved. A silk institent was established at Bhagalpur, and an experimental station for cotton weaving at Ranchi and a blanket factory for hand looms at Gaya. In

Central Provinces.

the Central Provinces, very important work was transacted by the Advisory Board which is associated with the Director of Industries. The officers now employed by the Department include an Electrical Adviser, a Textile Expert, a Leather Expert, an Inspector of Factories and Boilers, an Inspector of Industrial Schools, a Commercial Agent, and several other specialists. The use of electricity is being developed in the province wherever possible, and in this direction local bodies are being given every assistance. Good progress is being made in textile work, and more than 2,000 improved sleys have been sold to weavers as against 1,000 in 1920. It has been calculated that the introduction of 3,000 sleys has added Rs. 17 lakhs to the earnings of a percentage of the weavers in the province. Efforts to induce local talent to make and sell dobbies have met with gratifying success and shuttles are now stocked in many bazaars. It may be noticed that for instructional purposes in technical schools the cinematograph has been used with good results, but there is some difficulty in obtaining suitable films. For the exhibition and sale of the products of village or cottage industries, an emporium has been opened in the Central Museum, Nagpur. Despite its small and modest beginnings this enterprise has been strikingly successful, sales having of late averaged between Rs. 500 and Rs. 600 per month. Even more important is the fact that shopkeepers visit the emporium to inspect the exhibits and to obtain information regarding sources of supply. As a practical example of the benefits derived from this institution by the local trade, mention may be made of the fact that Nagpur shopkeepers are now buying toys from Saugor, silks from Champa, coloured handkerchiefs from Burhanpur, and penholders from Hoshangabad. Like the provinces of British India, the more ad-

vanced Indian States possess their own Departments of Industries. Mention may be made in this connection specially of the work done in Hyderabad, Gwalior, and Baroda. In the last named State, during the year under review, important investigations have been made into the existence of natural gas at Jagatia and Baroda, while investigations into the improvement of woollen manufactures and fish-canning were continued. Handloom demonstration parties succeeded in introducing many improved looms.

From what has been said it will be plain that the development of Indian industry is now a subject to which much attention is being directed. Nevertheless, for many years to come, the prosperity of India seems destined to rest upon agriculture rather than upon industries. Three persons out of every four in India gain their livelihood directly from the soil; hence it is that the improvement of that livelihood constitutes the readiest way of regenerating the economic life in India. The world's progress has affected agriculture equally with other occupations, and unless the Indian agriculturist can be equipped with knowledge as well as capital for developing the resources at his disposal, it is difficult to see how he will in future support his share of the economic burden from which no nation on the road to self-government can escape. During recent years, an extraordinary change has taken place in the position which the Department of Agriculture occupies relative to the agricultural population. In many places the cultivator has already learnt to look the expert as a friend and a guide, and his old attitude of suspicion towards new methods is beginning to be substantially modified. When the success of new methods can be quickly and plainly demonstrated, they spread with remarkable rapidity. The so-called conservatism of the Indian cultivator is generally merely that of the sound practical farmer, who requires good reasons for departing from well-established practice. The economic influence of high prices, combined with the intensified demand, resulting from the war, for higher production, has stimulated in great degree the adoption of improved practice. On the other hand, the question of initial resources continues to be of importance. To the farmer possessing the necessary capital to supply irrigation water, plenty of manure and efficient tillage implements, the question of the suitability of crops to local conditions becomes a matter of little importance. But to the Indian agriculturist possessing few of these advantages, crop varieties are all-important, and

Indian agriculture.

Progress and conservatism.

the first and obvious step in the improvement of his agriculture is to provide him with those which are suitable to existing conditions. He is already awakening in many places to the fact that he is not extracting from his land all that it is capable of producing. Indeed the willingness of the agriculturist to learn how to improve the quantity and quality of his crops is being held by those in a position to form a sound judgment of the matter as the dawn of an era of intensive cultivation. The major operations of the Agricultural Department naturally accord with these tendencies. They have been in the direction of the introduction of improved varieties of existing crops. The other side of the question, namely the improvement of soil and other local conditions, will be a matter of slower growth; since increased capital or at least extended credit, will have to be forthcoming for its fulfilment.

The Departments of Agriculture.

If only the Central and Provincial Departments of Agriculture can be expanded proportionately to the magnitude of the task before them, the future prosperity of India may be regarded as assured. Great areas of land, at present either wholly unutilised or insufficiently exploited, lie ready to yield, after the application of labour, manure and water, tons of valuable crops. Hitherto unfortunately, it has not been found possible to expend upon scientific agriculture that amount of money which India's necessities really require. The Imperial Department of Agriculture which has its head quarters at Pusa in Bihar and Orissa is maintained at a cost slightly more than £96,500, while the total expenditure of all the Provincial Departments amounted in 1921-22 to £1,047,870. This works out at a total charge on the country of about one half-penny per acre per annum.

Their work.

A brief note of the work accomplished by the Agricultural Department in dealing with particular crops will do more than many pages of argument to demonstrate its utility to the country. First in importance of all the grain crops in India is *rice*. Its yield is a vital factor in the country's welfare. Accordingly, to the selection of improved varieties and to the supply of suitable seed, the Agricultural Department devotes much of its attention. The demand for this improved seed now far outruns the supply; and in the four principal rice-growing provinces—Bengal, Burma, the Central Provinces and Madras—the areas under improved varieties are now not less than 56,000; 73,000; 61,000; 29,000 acres respectively.

Rice.

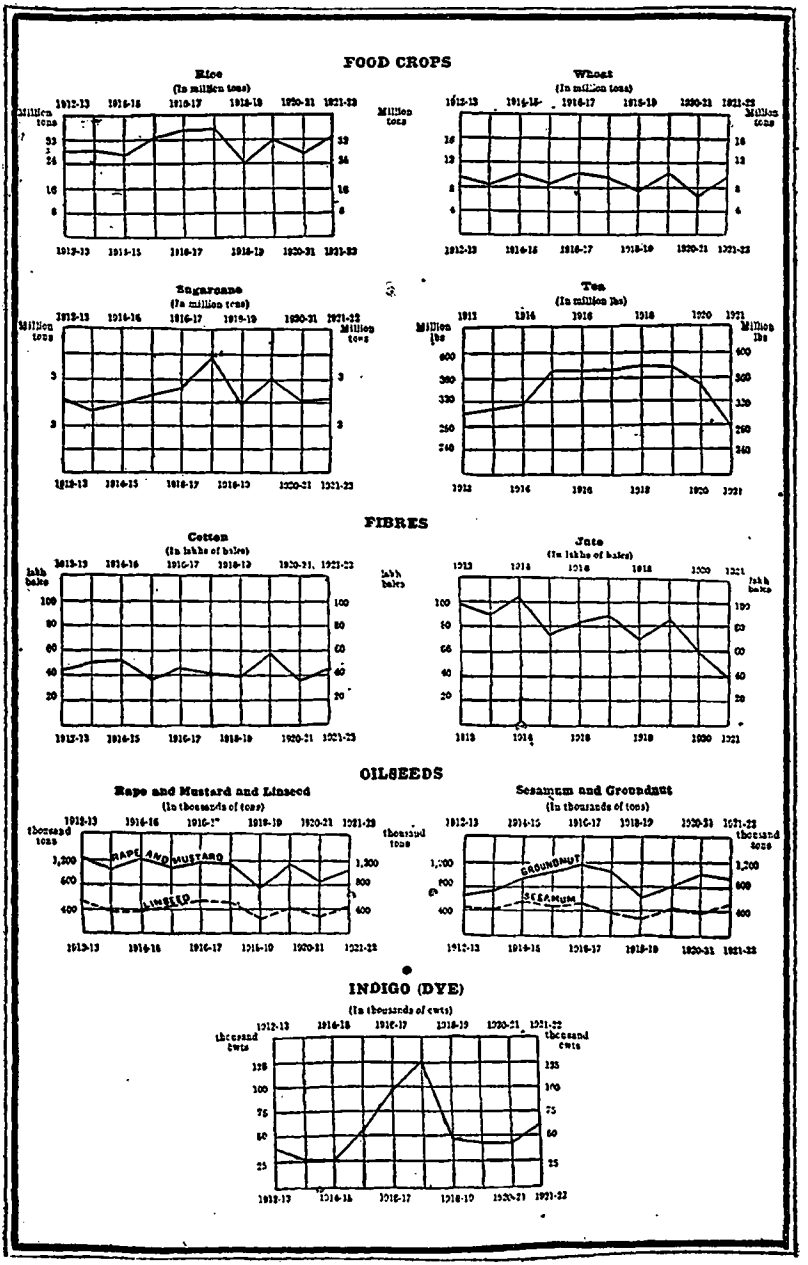
This is not a matter for surprise when it is observed that one of the departmental strains

which has been planted in the Madras Presidency yields no less than 3,771 lbs. per acre, representing a net profit to the cultivator of nearly £23 per acre for the crop. Some of the departmental selections of Burma rice yield per acre from eight to ten baskets of 51 pounds each more than the best local varieties; while the Bengal varieties have been yielding 246 to 492 lbs. more per acre than the varieties they are replacing. In the Central Provinces a variety of rice introduced by the Department yields 470 lbs. of paddy more than the local variety and thus fetches an increased income of about £1 per acre to the cultivator. If the rice crop can be improved throughout the country in something like this measure, it will enhance the prosperity of a larger proportion of the people of India than can be effected by the improvement of any other single crop, for it occupies a larger area and is used as a staple food by a greater percentage of the population of the country than any other stock. During the period under review, this crop in fact suffered a reduction from a revised figure of 81·9 million acres in 1920-21 to 81·2 million acres, but thanks to the well distributed rainfall the yield of rice rose from 27·7 million tons to 33 million tons.

Wheat.

Next to rice in importance in the list of Indian crops stands *wheat*. During the year under review, the area under this crop rose from 25·7 million acres (revised figures) in 1920-21 to 28·2 million acres and the estimated yield from 6·7 million tons (revised figures) to 9·8 million tons. Indian wheat is as a rule of low quality and does not fetch good prices in the world's market. Accordingly, the work of the Agricultural Department upon this crop consists, first, in the evolution and distribution of strains possessing superior yielding power, better quality of grain, improved strength of straw and greater resistance to rust; and secondly in demonstrating the response of the crop to better cultivation. The improved varieties produced at Pusa have now been extended to all the wheat-growing provinces. In the United Provinces, the area under improved varieties, predominantly Pusa 4 and Pusa 12, has now reached a figure at which accurate estimates cannot be made by departmental agency. It cannot however fall far short of 241,000 acres, and each acre so cultivated gives the grower at a modest estimate an increased return of one pound sterling. Similarly in the Punjab, the improved varieties occupy over 772,800 acres. In the Central Provinces, about 40,600 acres are now sown with the high-yielding varieties of wheat supplied by the Department. In the North-West Frontier Province, during the short space of seven years from its first introduction, the Pusa 4 variety has almost entirely displaced

Yield of certain principal crops from 1912-13 to 1921-22.



the local wheats of the Peshawar district, and in 1921-22 it was sown on 150,000 acres.

Among the food crops next in importance, mention must be made of *sugarcane*, upon the improvement of which the Department has expended much labour. During the period under review, the estimated area of this crop fell from 2·5 million acres in 1920-21 to 2·3 million acres in 1921-22, but the estimated yield of Gur (refined sugar) increased from 2·52 million tons to 2·59 million tons. As in the case of rice and wheat, the outturn was considerably affected by the poor monsoon. Sugar is the only agricultural product in India in which the balance of trade lies decidedly against the country. Imports of foreign sugar amounted to 718,000 tons valued at Rs. 26·7 crores as against 237,000 tons valued at Rs. 17 crores in the preceding year. The increased tonnage may be largely attributed to the fall in prices during the year. The establishment in India of the Sugar Research Institute, the Sugar Research station and the large demonstration factory recommended by the Indian Sugar Committee to which reference was made in last year's report, has unfortunately been delayed on account of the state of the national finances. The Sugar Bureau established at Pusa with the object of furnishing advice to cultivators, manufacturers and capitalists is steadily expanding the scope of its activities. In addition to the publication, for the benefit of sugar firms in India, of statistical notes bearing on the production and consumption of sugar in different parts of the world and fluctuations in the world's price of sugar, the bureau has taken over the testing and multiplication of improved varieties of sugarcane for the surrounding districts and of arranging mill trials of the more promising varieties. One of the main features of the sugar work of the Agricultural Department has been the promising results attending the trials of the canes produced at the breeding station of Coimbatore in the Madras Presidency, whence improved varieties of seedling canes are evolved. Of the total sugarcane area in British India over half lies within the borders of the United Provinces. Here intensive cane cultivation has been most successful on land commanded by tube wells and pumping plants. Great possibilities for the improvement of cane cultivation will be afforded by the opening of the proposed Sarda Canal, of which mention will be made in a later page. This canal will irrigate a tract of soil which is especially suitable for cane cultivation. A future also awaits the introduction of power-driven machinery for crushing cane on a relatively small scale for the manufacture of rough sugar. Some idea of the prospects awaiting

Sugar.

the introduction of improved varieties of cane may be gathered from the fact that in the Central Provinces, one particular variety has given over a period of eight years an average outturn of 2,488 lbs.of rough sugar per acre more than the variety it has displaced. There are substantial indications that the older strains are losing favour with the cultivators; though in many places it would seem that the question of improved cultivation is of greater importance than the introduction of new breeds. Crude sugar manufactured on improved lines fetches from 6 shillings to 10 shillings more for every 500 pounds of produce than can be realised from older processes.

Cotton.

Of textile crops cotton is the most important. But while India stands second only to America in the total world's production, her cotton is shorter in staple, poorer in spinning value and smaller in yield per acre. The work of the Agricultural Department therefore tends mainly to increasing the yield per acre and improving the quality of the produce. The scope which exists for this work may be gauged from the fact that during the year 1921-22 the acreage under cotton amounted to no less than 18 millions, although this was in point of fact a falling off of about 3 million acres from last year's figures, and the yield per acre was 97 lbs. as compared with 67 lbs. in the preceding year. In the case of cotton, considerations regarding the quality of the final product naturally operate in an overmastering degree, and the success of a selected variety often turns upon the possibility of obtaining a sufficient premium for the improved quality. In the most important cotton-growing province in India, which is Bombay Presidency, the area under improved strains is now about 88,000 acres. Some idea of the general extent of the operations of the Agricultural Department in supplying seed may be gathered from the fact that in the Central Provinces, the second in the list of India's cotton growing areas, cotton seed sufficient for 300,000 acres, was distributed during the period under review. There the area under the improved varieties was 0·24 million acres as against 0·36 million acres in 1920-21. In the Punjab, nearly half the total acreage of cotton is now of the American type introduced by the Agricultural Department. Improved varieties account for 0·36 million acres. The selected type known as '4 F' is worth to the cultivator at least £1 per acre more than the local kinds; and the increase in his profits represented by the rapid spread of this selection amounts in the aggregate to well over half a million sterling. In spite of the enormous area now occupied by American cotton in the Punjab, its introduction is a comparatively recent event; and it is only

to be expected that the present type will in time be replaced by something better. Indeed, a new variety, 285 F, is giving more satisfactory results in certain localities. From what has already been stated as to the importance of the Indian cotton crop, it will readily be realised that there is ample opportunity for close co-operation between those who trade in this commodity and the Department of Agriculture.

The Indian Central Cotton Committee, which was established last year on the recommendation of the Indian Cotton Committee, acts as a connecting link between the Agricultural Department and the Cotton Trade and serves as an advisory body to Government on questions affecting cotton. It affords a joint meeting ground for all sections of the Trade with those engaged in the improvement of cotton cultivation. On the recommendation of the Committee a Bill for the levy of a small cess of two annas a bale on the whole of the commercial cotton crop was introduced in the Indian Legislative Assembly and passed in March 1923. The proceeds of the cess, which will be levied at double the above rate for a period of three years from the commencement of the Act, will be devoted to the promotion of agricultural and technological research in the interests of the cotton-growing industry. Another Bill which provides for the restriction of the transport of short staple cotton into long staple cotton area to prevent admixture was also introduced into the Indian Legislature. Though the measure met with a somewhat mixed reception, it was felt that the deterioration of the cotton crop had reached such alarming proportions in Bombay as to call for early action. Accordingly after being referred to a Select Committee of both Houses it was eventually passed by the Legislative Assembly in January 1923.

Jute.

The world's supply of jute fibre is obtained almost entirely from North Eastern India. So long as plentiful supplies of raw material exist at moderate prices, India enjoys a monopoly of production. The area sown under jute from year to year is to a large extent governed by demand from abroad. During the period under review, glutted markets, combined with the high prices realised by food grains and the trade depression brought about by post war conditions, affected the area under this crop, which shrunk from 2·5 (revised figures) million acres in 1920-21 to 1·5 million acres in 1921-22. The value of the export trade for these periods was £69 millions and £44 millions respectively. The work of the Agricultural Department in connection with jute consists mainly in the isolation of superior yielding strains from the common mixtures found in the field. One of the chief difficulties lies in seed production, which is usually not profitable in Bengal

since the cultivators find that it pays better to cut the crop for fibre. A new field for seed growing seems to be opening in Madras, and in Western Bengal on lands too high for paddy. The Agricultural Department has also undertaken investigations into the manure requirements of jute, and has demonstrated that the presence of sufficient potash and lime in the soil is of vital importance, although these elements are of no practical value except when used in combination.

During the year under report 39 tons of seed of improved varieties were available for distribution. Experience has taught the cultivator that the new jute varieties not only yield 25 per cent. more than the local races, but that they are also more paying in a bad season. The area annually covered by departmental jute seed is not far short of 200,000 acres, of which the net increased revenue to the cultivator approximates to Rs. 50 lakhs a year.

Indigo.

The area under indigo rose from 0·24 million acres (revised figures) in 1920-21 to 0·31 million acres in 1921-22 and the yield of dye from 41,200 cwt. (revised figures) to 60,900 cwt., showing a slightly more favourable season. The increase in area occurred chiefly in the Madras Presidency where the Industry is mainly in the hands of small holders ; and dye manufacture is often of inferior quality. In Bihar, where a superior type of dye is manufactured in large factories, the acreage has steadily decreased to the pre-war level. The work of the Agricultural Department on this crop has been directed towards increasing the quantity of indican contained in the plant and towards reducing the present losses in the manufacturing process. Very important investigations on the use of pure cultures of bacteria for the improvement of indigo manufacture are in progress ; and the use of the new sterilising agent made in the Pusa laboratory has brought the possibility of using pure bacterial cultures within the region of practice. The present position of the indigo industry nevertheless remains uncertain, since the German dye has again come upon the market in considerable quantities. In order that the natural product should be in a position to meet competition from synthetic indigo, it is necessary not only that the yield per acre should be increased, but that the present loss in the manufacturing process should be reduced to a minimum.

Tobacco.

In striking contrast with the somewhat doubtful prospects of the indigo industry, are those which seem to await the tobacco industry of India. With the recently imposed heavy duties on imported tobacco, the prospects for growing successfully the finer grades have improved considerably. That the

field is a large one is apparent from the fact that during the period under review cigarettes, etc., to the value of about £1·3 millions were imported into India. The demand for Pusa type 28, which combines yield and quality, and is suitable both for cigarette making and general cultivation, has increased during the year. Seeds sufficient for about 60,000 acres were supplied to cultivators. The area under certain acclimatised varieties of Sumatra tobacco has also increased considerably.

Vegetable Oils, etc.

India's consumption of vegetable oils and oil cake constitutes a very large proportion of her total production. The quantity normally absorbed by foreign markets constituted a useful surplus, which is drawn upon in bad years. The total quantity of oil seeds exported during the year was 735,000 tons (one-fourth of the total production) as against 624,000 tons in 1920-21. The Agricultural Department endeavours to select the best varieties of seeds, and to introduce them in the districts for which they are found most suitable. In Bihar and Orissa, the selected varieties of groundnuts have been introduced on sandy soil in the Gaya district, where the average yield of the acre treated with ashes has amounted to 1,804 lbs. as against exactly half that yield from untreated areas. In Madras, where the cocoanut crop is of great importance, extensive study has been made of the cocoanut palm. This is expected to throw light on the cause of the great variations between yields of different trees grown under apparently identical conditions. As typical of the direct practical advantages of intensive study of this kind, the fact may be mentioned that the local practice of planting cocoanuts in deep pits sunk well below the ground level has been proved quite unnecessary. In Burma also the question of cocoanut planting has aroused considerable interest, and the local Department of Agriculture has taken up the subject.

Rubber, Coffee and Tea.

During the period under review, valuable work has been done in rubber, coffee and tea. A number of experiments directed to the study of manurial systems are being conducted on South Indian estates, as well as investigations into the diseases of the plants. A great advance has been made recently in the general use of green dressings on the rubber plantations. In coffee, good work has been done in Coorg with hybrids produced by the Agricultural Department, the seeds of which are now on the market and in great demand. One of these, 'Jackson's Hybrid,' has proved its quality in the London market. Not only does it yield heavily, but it produces a bean of very high quality. In tea, as has elsewhere been mentioned, the prospects of the industry are for the moment gloomy

owing to the glut of the Home market. Until the disorganisation caused by the war has been remedied, it seems doubtful whether the position will improve considerably. During the period under review the total area of tea was returned at 0·709 million acres against 0·704 (revised figures) million acres in the preceding year, but the total estimated yield was lower, being 274 million lbs. as against 345 (revised figures) million lbs. in 1920-21. Lately, the Indian Tea Association has decided to restrict production in considerable degree. Work upon the crops by the Department of Agriculture continues. In Southern India there is a special Deputy Director of Agriculture for planting districts who gives particular attention to tea. Demonstrations on the value of green manures, as a means of preventing wash and of increasing organic matter in the soil, form an important part of the work in progress.

Fruit.

As mentioned in last year's report, the fruit growing industry of India has a great field before it. Those who have hitherto devoted their attention to the improvement of Indian fruit have been too few and too scattered to permit of any considerable advance. But considering that the fruit industry, even under present conditions, yields a profit to those engaged in it, there is little doubt that a prosperous future awaits it. It has one considerable advantage in a country like India. A certain number of the educated classes, who do not take kindly to other species of farming, are quite willing to take up fruit growing as a profession. Efforts are constantly being directed towards the improvement of Indian fruit through careful selection of trees and proper tillage of the soil. In Bombay, an officer has been appointed to work solely on horticulture. In Madras the Pomological Station opened at Coonoor has now been fully planted up with all kinds of fruit trees and at the close of the year more than 1,600 grafted plants were ready for sale. In the Punjab efforts are being made to improve the date-palms by introducing Arabian varieties imported from Mesopotamia. The work done at Quetta and Tarnab has resulted in the establishment of a number of really good gardens, laid out and worked on uptodate lines, in Baluchistan and in North-West Frontier Province. Endeavours are being made in many places to popularise the better varieties of fruit and to introduce improved methods both of cultivation and of packing. But a more thorough investigation of the economies of fruit growing must be undertaken before satisfactory advance is possible. The possibility of establishing a system of co-operative marketing such as that employed by the fruit growers in California has yet to be tested.

Fodder.

Crops grown purely for fodder form a very small proportion of the cattle food of the country, and mainly for this reason have not been subjected by the Agricultural Department to the same systematic treatment as staple crops. In this connection it should be remembered that although an improvement in the yield of grain crops as a rule involves an increase in the straw as well as the grain, and thus indirectly increases the amount of available fodder, the fodder question is assuming increasing importance on account of the rapid extension of arable cultivation coupled with the stricter conserving of jungles as reserves, which has tended to restrict the grazing areas. Problems connected with fodder raising and storing continue to receive attention, and work of great value has been performed in demonstrating the possibilities of new sources of supply. In Bombay, a distinct advance has been made on the methods previously followed in the preparation of prickly pear as emergency fodder. In the United Provinces, also, it has been definitely proved that the troublesome weed known as Baisurai, which seriously affects the yield of unirrigated crop on account of its deep roots, can be advantageously utilised as fodder. It is estimated that through the employment of this weed, a saving of 0·22 million tons of other fodder can be effected in the United Provinces, a quantity considerably exceeding the total amount imported during the severest fodder famines of recent years. Large scale trials of berseem (Egyptian clover) have proved very successful at Pusa and Peshawar. In the North-West Frontier Province it has proved a better fodder than Shaftal and bids fair to oust the latter as a green fodder crop.

Soil Surveys.

Turning to the Chemical work of the Agricultural Department, mention must be made of the continued study of soils in various parts of India. In Bihar and Orissa, in the Punjab, in the Central Provinces, in Bombay and in Madras, considerable progress has been made in this important branch of work. These surveys afford useful guides as to the type of manure which will give the best results. In the Central Provinces, moreover much attention has been paid to methods which will enable the soil to recover from the calls that high-yielding varieties of crops impose upon it; while in Bombay work of a fundamental character on the method of maintaining a higher amount of water in the soil of dry areas, is now being undertaken.

Crop Pests.

As was mentioned in last year's report, the study of pests, both vegetable and animal, is a matter of great importance to India. Diseases caused by parasites are

numerous and destructive ; the damage done annually to rice, sugarcane and cotton, in particular, by insect pests being very serious. Continuous attention has been devoted by the Agricultural Department to remedying this state of affairs ; but shortage of staff, as in other branches of its activities, continues to retard progress. One great difficulty with which the Department is faced is the patient apathy of the cultivator, who believes in the majority of instances that pests and blights are manifestations of heaven's wrath. Energetic propaganda has to be undertaken before people can be persuaded of the possibility of controlling such visitations. Attention has also been devoted to the question of storing grain in such a manner as to protect it from damage and from the depredations of insects and rats. These latter constitute no inconsiderable burden upon India's food supplies. Experiments seem to show that the average rat consumes about 6 lbs. of grain in a year ; and as the total rat population of India is estimated at about 800 millions the loss caused to the country by these animals must be something near £15 millions per annum.

Agricultural Engineering.

A very important branch of the operations of the Agricultural Department lies in the sphere of Engineering, mainly connected with improvement of the water supply in existing irrigation wells through connecting them with sub-artesian supplies by means of pipes and bores. Work of this nature is of the greatest practical importance, and its successful development has in many provinces added not a little to the prestige of the local Agricultural Departments. During the year under review, work has been handicapped by the high prices of materials ; but good progress has on the whole been made. For example in the Punjab the number of bores sunk in wells amounted to 343, of which no fewer than 82·2 per cent. were successful in increasing the supply of water. The Agricultural Engineer has designed a power-boring plant which is expected to reduce the boring cost to less than a half. In Bombay the demand for Mansfields' water finder to locate sites for digging wells is on the increase. Applications for the services of boring machines maintained by the Department are also much sought for ; and during the period under review 131 borings were made, of which 99 were successful. In the United Provinces 591 borings were made, of which 393 were successful : while 16 tube wells were completed and set to work and 20 more were in course of construction. In Madras, the work relating to pumping and well boring having been transferred to the Department of Industries, the main work of the Agricultural Engineer in this province

lies in the adapting of modern agricultural machinery and implements to local conditions, and the improvement of indigenous machines. In Burma the Agricultural Engineer has been employed in carrying out tests with various makes of cane crushers and boiling furnaces in order to find out a cheap design suited to local conditions. A furnace designed by him shows a saving of Rs. 22-8-0 in fuel consumption per acre of cane dealt with. In the Central Provinces an improved type of hoe, two types of ploughs and a new type of pump have been designed. In several of the Indian States, also, agricultural engineering is making considerable progress. In Gwalior the Agricultural Department has been successful in conducting several important lines of work. In Mysore, alterations have been made in the new model plough to meet the demands of cultivators; while an American drill has been modified to adapt it to local requirements. In Baroda, there was a considerable demand for well borings; and out of 45 bores sunk, 34 were successful. Useful work was also done in the installation of engines and pumps, for which the State advanced nearly £6,800 to 13 applicants.

Cattle.

Among the most important conditions of the success of Indian agriculture may be mentioned the improvement in the cattle population. The bullock is still the principal motive power for cultivation; indeed the total number of live-stock of the Bovine class in India is no less than 146 millions. According to the 1919-20 cattle census, the number of cattle per 100 acres of sown area ranges from 86 in Bengal to 33 in Bombay; while the number per 100 of population varies from 86 in the Manpur Pargana to 33 in Delhi. The average for British India, as a whole, is 57 cattle per 100 acres of sown area and 61 cattle per 100 of the population. Very considerable numbers of these cattle are maintained at a loss, owing to their unfitness either for labour or for supplying milk. But the problem cannot be tackled upon the same lines as would be possible in Western countries, for the reason that veneration for the cow is universal throughout the larger proportion of the population in India. It is thus impossible to

Influence of sentiment.

treat the question as one of pure economics; if only because popular sentiment will not agree to the elimination of the unfit and wasteful members of the cattle population. The amelioration of the position depends first upon improving the breed of cattle, and secondly upon its preservation both from disease and from famine. Increased breeding in the arable areas is now an imperative necessity, owing to the rise in the price of working

cattle. There is however a great lack in many places of stock bulls; while the drain of the best milk cattle into the towns and their consequent loss for breeding purposes has ruined the milk breeds of the country districts. At Pusa, cattle breeding has been directed mainly along two lines, the grading up of a country milk-breed; and experiments in cross breeding with imported cattle of high milking pedigree, the primary object of the latter being to obtain reliable information regarding the inheritance of the observable characters of both breeds. In the various provincial agricultural departments, also, considerable work is being done in the provision of stock bulls, and in the general maintenance and improvement of the chief local breeds. Progress continues however to be slow, largely on account of the magnitude of the terms in which the problem is stated. Simultaneously with the work in improvement of the breed, comes the preservation of cattle from famine and epidemics. Plainly, it is just as important to keep the existing cattle alive through periods of famine as it is to maintain and improve the breeds. Mention has already been made of the steps taken by the Agricultural Department to increase the fodder supply, and to make it readily available for the strain placed upon it by outbreaks of sudden scarcity. There can be little doubt that a considerable proportion of India's cattle population is under-fed, and that one way of increasing the percentage of useful individuals is to popularise those forms of fodder which at the present moment are neglected because unknown. The preservation of Indian cattle from contagious diseases presents certain difficulties peculiar to the country. It is necessary not merely to fight against the natural sources of infection, which are numerous, but also against ignorance, old-established custom, and prejudices on the part of the people themselves. Cattle owners, when disease is prevalent in a village, often remove their cattle to another locality; and it is a long time before they can be made to realise that such movements of cattle are the means of spreading disease. Until the cattle owners themselves understand the importance of early information and segregation in the suppression of these periodical outbreaks, disease must remain a source of loss to them and a danger to agricultural interests in general. During 1921-22 there were 616 veterinary hospitals and dispensaries at work in India, of which 42 were opened during the year under review. The cases treated and operations performed at these institutions rose from 1 million in 1920-21 to 1·2 million in 1921-22. The number of animals treated by itinerant veterinary officers also rose from 0·67 million in 1920-21 to 0·76 million in 1921-

Cattle diseases.

22. It is gratifying to note that private persons are now taking interest in veterinary matters.

Veterinary work.

In Bombay a veterinary hospital was built during the year with the help of funds provided by the people; in the Punjab substantial offers for help were received from private individuals for four hospitals. The Imperial Bacteriological Laboratory at Muktesar, which supplies the munitions of the campaign against contagious cattle diseases, issued about 3·34 million doses of different sera and vaccines, of which 2·93 million doses consisted of rinderpest serum. The percentage of deaths among inoculated animals was negligible, being only 0·30 per cent. A trial course of training for provincial veterinary officers, with a view to their qualifying for appointment in the Indian Civil Veterinary Department, was started at Muktesar in July 1922. The course covers a period of 2 years and is being attended by six officers—one each from the Provinces of Bengal, Bihar and Orissa, Bombay and the Central Provinces and two from Muktesar. Facilities have also been provided at Muktesar for a post-graduate instruction for officers of the Civil Veterinary Department extending over 4½ months. This training is designed to fit these officers for the special problems in disease investigation which confront them in the execution of their duties. Important results in connection with the manufacture of serum from animals of only moderate susceptibility has greatly simplified the problem of rinderpest serum production. Very promising work on the use of tartar emetic as a curative treatment of surra holds out hopes of this disease, which has successfully resisted many attacks, being at last brought under subjection.

Tractor cultivation.

The need for supplementing the cattle-power of the country has been felt for some time back, and has begun to strike those cultivators who have grasped the significance of improved tillage in the scheme of general agricultural improvement. Such crops as sugarcane depend on a more extensive tillage just as much as on increased supplies of manure and water. Accordingly, as a result of advertisements by several firms and demonstrations held in several places, much interest has of late been evinced in agricultural motor tractors. Several large land-owners have bought tractors and are trying them on their estates, while the various Agricultural Departments are also engaged in experimenting with different types. But in India the scope of tractor cultivation appears to be limited, since the most valuable of irrigated lands are not quite suitable for tractor cultivation, and the sizes of the fields are rather too small for the purpose.

Nevertheless tractor ploughing is likely to prove advantageous in areas where large stretches of land have gone out of cultivation.

Demonstration.

It is obvious that to a very large extent the utility of the work of the Agricultural Department depends upon the effective diffusion of a knowledge of improved materials and improved processes among the population of India. Since the large majority of Indian cultivators are illiterate, the methods of conveying information which are in vogue throughout more advanced countries, such as leaflets, circulars and lectures, cannot be relied upon to produce the desired effect. Wherever possible, ocular demonstrations are given ; and for this purpose, Government seed and demonstration farms, implement depôts, and the like are employed. But the most convenient means of assuring agriculturists that suggested improvements can be carried out by themselves, is the employment of small plots in their own fields for demonstration purposes. The whole question of demonstration therefore really resolves itself into the provision of an adequate and properly trained staff organised on lines dictated by experience.

In Bombay there is a close co-operation between the Agricultural and Co-operative Departments. Six divisional boards have been established which control the propaganda activities of both departments. Three taluks situated in the cotton growing tract which grow 37 million acres of improved cotton, have formed Agricultural Associations each of which employ paid demonstrators. In Madras too the agency of co-operative societies was found generally useful for propaganda work. Seeds of improved varieties of cotton sufficient to sow 70,000 acres ; 54 tons of selected paddy seed ; and 2 lakhs of sugarcane sets, were supplied to the cultivators. In Bengal public interest in agricultural matters shows a considerable increase. The important feature of the current year's work is the institution of agricultural associations on co-operative lines, which maintain their own seed farms and also act as co-operative purchase and sale societies. Six such associations were registered during the year. Considerable progress has also been made in the formation of village agricultural associations, which are serving as useful links between the departmental officers and the cultivators. In Bihar and Orissa, also co-operative societies have been proved most valuable for propaganda purposes. In the United Provinces, the success achieved by propaganda work, is demonstrated by the fact that the total amount of seed distributed during the year amounted to over 2,000 tons, the largest figure on record. The number of private seed farms has risen

from 202 in 1920-21 to 300 in 1921-22. These fulfil very useful functions, and assist the Agricultural Department in many ways, notably in demonstration work and in the production of seed. In the Punjab, demonstration work has been supplemented by the opening of demonstration farms both by the Co-operative department and by private individuals. The supply of seed of improved varieties is already a self-supporting organisation, 510 tons of wheat and 1,430 tons of cotton seed having been purchased and sold during the year. In the Central Provinces there are 14 departmental and 2,237 private seed farms which distributed cotton, rice, wheat, sorghum and sugarcane seed sufficient to sow 389,985 acres. About 1,300 new implements and the same number of parts to the value of more than £11,000 were also sold to cultivators through Government farms, Agricultural Associations and other agencies. In Assam, seeds, manures and implements of the value of £6,400 were issued to the cultivators. The demand for sets of improved varieties of sugarcane was so great that only a small portion of it could be complied with. In Burma, the Agricultural Department distributed 350 tons of pure strain paddy, 17 tons of cotton seed, 36 tons of wheat, 55 tons of groundnut and a very large number of sugarcane sets. The State departments of Agriculture in the various Indian States continued their commendable activities. In particular, the well organised work of the Gwalior and Mysore Agricultural Departments in the introduction of improved implements, seeds and manures, produced excellent results. In Baroda, the State department distributed a very large quantity of improved cotton seed in co-operation with the Bombay Department of Agriculture. In Travancore, seed unions did excellent work during the year, while the more economical transplantation of rice has now become common practice. In Hyderabad State, the main feature of work was the distribution of pure seed of long staple cotton. In Kashmir 10,000 fruit trees were sold to local zemindars and about 50,000 more were ready for distribution, in the nurseries.

Irrigation.

Prominent in the sum total of the labour which has been devoted of late years to the improvement of Indian agriculture, must be reckoned the achievements of the irrigation system. India is justly proud of her progress in this important direction, and she stands second to no other country in the achievements of her engineers. For a fuller and more adequate description of the irrigation systems of India the reader of this statement may be referred to the new Triennial Review of Irrigation, of which the first was issued in 1922. The paragraphs which here follow

attempt nothing more than the barest outline of some of the more salient features of this important subject.

In the tropics cultivation can be, and in many cases is, effected by natural rainfall only, but there are many parts in which the artificial watering of some portion at least of the crops is essential. Every season the rainfall in some parts of India is insufficient to mature the crops; while in other parts of India the rainfall, which in a normal year may be sufficient, is liable to uneven distribution throughout the season, or to such serious deficiency as to render the tract concerned famine striken in the absence of artificial protection. The Indian Irrigation Commission, which sat from 1901 to 1903 recorded that between the area in which the annual rainfall is invariably sufficient, and that in which it is so scanty that no agriculture at all is possible without an irrigation system, there lies a tract of nearly a million square miles which, in the absence of irrigation, cannot be deemed secure against the uncertainty of the seasons and the scourge of famine.

Methods.

There are various methods by which irrigation is accomplished in India. A very large area is irrigated by the cultivators themselves without assistance from Government, by the use of such means as wells, tanks and temporary obstructions to divert water from streams on to the fields.

Almost every known system of raising water from wells is found in India, ranging from the primitive plan of hand-lifting to the modern device of power pumping, which, thanks to the efforts of Government Agricultural Engineers, is gradually growing more common. Exact figures regarding the number of these wells, and the area irrigated from them are not available; but in the Report of the Irrigation Commission which was published some 20 years ago, it was stated that there were approximately 2½ million wells in India irrigating some 12¼ million acres. The capital invested in these wells is probably now not less than Rs. 100 crores. At present the water is lifted from them principally by cattle power; and experiments made before the war at the prices which then prevailed showed that in certain districts, where the wells averaged from 35 to 40 feet in depth, the cost of irrigation with cattle power was Rs. 70 per acre per annum. The field for the introduction of small power pumps of a standardised pattern is very great; land which is now producing crops worth Rs. 15 to Rs. 30 per acre can easily be made to produce crops of very much greater value when more efficient methods of water raising are available.

Government irrigation works comprise both tanks and canals, the former being mainly small works which derive their importance from their vast numbers. For example, in Madras alone there are nearly 50,000 such tanks, irrigating between 2½ and 3 million acres. Turning now to canals, we may notice that they are divided into two classes; those drawing their supplies from perennial rivers and those which depend upon water stored in artificial reservoirs. The former are mainly found in connection with rivers which rise in the Himalayas, the snow upon which acts as an inexhaustible reservoir during the dry months of the year; the latter are naturally associated with rivers rising in the peninsula proper, where no such natural storage is available. These storage works are situated mainly in the Deccan, the Central Provinces and in Bundelkhand; ranging in size from earthen embankments to enormous dams such as those now under construction in the Deccan, capable of impounding over 20,000 million cubic feet of water. Canals which draw their supplies from perennial rivers may again be sub-divided into perennial and inundation canals. The former are provided with headworks which enable water to be drawn from the river irrespective of its natural level; some obstruction being placed in the bed of the river that the water may reach the height required to secure admission to the canal. Within this class falls the great perennial systems of the Punjab and the United Provinces. Inundation canals have no such means of control, and water can only be admitted to them when the natural level of the river reaches the necessary height. The most important inundation canals in India are those of Sind; indeed the whole of the irrigation of that province is of this nature. They also exist in the Punjab, drawing their supplies from the Indus and its tributaries.

Irrigation under the Reforms.

With the introduction of the Reforms two important changes were made in regard to the classification of Government irrigation works. In the first place, irrigation was given the status of a provincial reserved subject. Enhanced financial powers were delegated to local Governments in order to give them a much freer hand than they previously possessed in respect of all the most important projects. Only those estimated to cost over Rs. 50 lakhs now come before the Government of India for submission to the Secretary of State with their recommendations. In the second place, the old and somewhat cumbersome classification of the individual works themselves had been abandoned, and all works are now classified as either productive or unproductive. Pro-

ductive works are such as satisfy the condition that within 10 years of the completion of construction they produce sufficient revenue to cover their working expenses and the interest charges of their capital cost. All other works are classified as unproductive. The classification no longer relates to the source from which funds for their construction were provided.

Irrigation in 1921-22.

During the year 1921-22, the total area under irrigation by all classes of works in India, excluding Indian States, amounted to about 27¾ million acres, representing 14 per cent. of the entire cropped area of the country. This was ⅓ of a million acres less than the previous record of 28·1 million acres irrigated in 1919-20. The total length of main and branch canals and distributaries in operation amounted to some 67,000 miles, while the estimated value of the crops supplied with water by Government works was some Rs. 170 crores, or more than double the total capital expenditure on the works themselves. The area irrigated was largest in the Punjab, in which province 10½ million acres were irrigated during the year. This figure was a record, being ⅔ of a million acres in excess of the previous maximum recorded in 1919-20, and 1¼ million acres more than the average for the triennium ending 1921. In addition nearly 700,000 acres were irrigated in Indian States by the Indian State branches of the Punjab canals. Next among the Indian provinces came the Madras Presidency with an area of 7¼ million acres, followed by Sindh with 3¼ million acres and the United Provinces with 2⅔ million accres. The total capital outlay on irrigation works including works under construction to the end of the year 1921-22 amounted to Rs. 81 crores. The gross revenue was Rs. 9·7 crores and the working expenses 3·8 crores. The net return on capital was therefore about 7·2 per cent.

Sarda Kichha and Sarda Canals.

We may now briefly describe certain new projects under constructions or awaiting sanction. Certain alterations have beeen made in the Sarda Kichha Feeder project. The circumstances in which this scheme was prepared rendered it not only probable but certain that very considerable changes in the projected alignment would be necessary before the work of construction could be taken in hand. The original proposal for utilising the water of the Sarda contemplated the diversion of the Sarda water into the Ganges river above Narora at the headworks of the Lower Ganges Canal, thereby giving a large addditional supply to the Ganges and Agra canal systems. That project pro-

vided also for a separate feeder from the Ganges Canal to supplement the supplies of the Eastern and Western Jumna Canals. The principal item was a great feeder canal from the Sarda to the Ganges, which would have traversed at right angles the whole of the drainage of the submontane tract between the two rivers. This scheme, which was known as the Sarda Ganges Jumna Feeder project, was abandoned in favour of a canal which would provide irrigation for the north western districts of Oudh, with only a comparatively small branch running westwards across the Tarai for the irrigation of Rohilkhand, which would be known as the Sarda Kichha Feeder. It was considered advisable, in order to avoid delay in the commencement of work to prepare a project for this branch in advance of that for the whole Oudh scheme. The Sarda Kichha Feeder project received the sanction of the Secretary of State in December 1919. It was designed to take up the irrigation which was, under the earlier proposal, to have been effected by the first forty miles of the Sarda Ganges Feeder. No further surveys were therefore executed, the alignment decided upon the Sarda Ganges Feeder being accepted as suitable for the Sarda Kichha Feeder also; but it was definitely foreseen at the time that it would probably be possible to find a more economical line. This has proved to be the case; it is now proposed, by utilising certain of the natural drainage channels in the tract for the transportation of the supplies, to carry the whole volume of water further to the south, thus avoiding the malaria-ridden portion of the Tarai through which the original alignment ran. Great economy has been effected thereby and it is now believed that it will be possible to complete the work within the amount estimated when the project was ramed in 1914, in spite of the great increase in rates which has taken place since that time. The saving is expected further to cover the cost of substituting a barrage for a solid weir at the head of the canal. These modifications of the original scheme were, on the advice of the Inspector General of Irrigation, formally approved by the Government of India in January 1922.

The Sarda Oudh Canal takes off at the seventh mile of the Sarda Kichha Feeder and runs in a south-easterly direction. The Sarda canal project consists of a main canal with a length of 17½ miles, after which it divides into three branches. From these branches a network of distributaries covers the watershed as far as the eastern boundaries of the Rae Bareili and Bara Banki districts. The project comprises 478 miles of main canal and branches 3,370 miles of distributaries and 100 miles of escapes or 3,948 miles of channels in all. The canal will irrigate

1,368,000 acres and produce a return of 7¼ per cent. on the capital cost which is estimated at £7½ million. The sanction of the Secretary of State to this project was accorded in February 1921. Much actual as well as survey work has been done in connection with the Sarda Canals despite the difficulties encountered both in respect of the country operated in and its notoriously unhealthy climate. The operations carried out during 1921-22 involved an expenditure of Rs. 42 lakhs.

Sutlej Valley Canals.

There are, on either bank of the Sutlej in British territory on the north and in Bhawalpur on the south, a long series of inundation canals, which draw their supply from the river whenever the water level is high enough to permit of it. These canals are liable to all the drawbacks which invariably attend inundation irrigation. There are no weirs at their heads and, in many cases, there is no means of controlling the volumes entering them; consequently, while a supply is assured in a normal year during the monsoon months, it is liable to serious fluctuations according to the seasonal conditions. In a year of inferior rainfall little water enters the canals; in a year of high supplies they are liable to grave damage by floods.

The Sutlej Valley Project will effect three objects. Firstly, it will afford the existing canals an assured and controlled supply from April to October. Secondly, it will enable their scope to be extended so as to embrace the whole low-lying area in the river valley. Thirdly, it will afford perennial irrigation to the uplands on both banks which are at present entirely unirrigated and, owing to the low rainfall waste.

The project consists of four weirs, three on the Sutlej and one on the combined Sutlej and Chenab, with twelve canals taking off from above them. This multiplicity of canals and weirs may seem, at first sight, a peculiar feature of the scheme, until it is realised that the project really consists of four inter-connected systems, each of the first magnitude. The canals are designed to utilise 48,500 cubic feet of water a second during the monsoon and 7,000 cubic feet a second during the cold weather. Over 5 million acres will be irrigated of which 2 million acres will be in the Punjab, 2,800,000 acres in Bahawalpur and 350,000 acres in Bikaner. As a result, 3¾ million acres of desert waste will become available for colonization.

The project was submitted to the Secretary of State in March 1921; but before according his sanction to it he requested that the estimates of returns should be revised on the basis of the higher borrowing rate

now prevailing and that the Punjab Government should be asked to present the scheme to the local Legislative Council for its approval. He further called for assurances as to the ability of the Punjab Government and of the Bahawalpur and Bikaner States to provide funds for the execution of their respective portions of the project. In November 1921, the Local Government reported that the Punjab Legislative Council had unanimously approved of the project and had agreed to the provision by loan of funds as required for the construction of the British portion of the scheme. The Bikaner and Bahawalpur Durbars had also been able to satisfy the Punjab Government that they could finance their portions of the scheme from funds at their disposal and from the proceeds of the sales of land. The Government of India accepted these assurances and asked for the sanction of the Secretary of State to the immediate commencement of work upon the project, which was accorded on the 9th December 1921.

Sukkur Barrage and Canals Project.

The Sukkur Barrage project in Sind, which is the greatest irrigation scheme under consideration at the present time, was approved by the Secretary of State in June 1921 in so far as its administrative and technical aspects are concerned, but the commencement of construction was delayed pending the making of adequate arrangements for financing the project. These are now complete and final sanction to the project has been accorded. The object of the scheme is to give an assured supply to and extend, the irrigation now effected by the numerous inundation canals in Sind which draw their water from the Indus. This will be achieved by the construction of a barrage across the Indus, nearly a mile long between abutments — by far the biggest work of its kind yet built. From above the barrage seven canals will take off, irrigating over 5 million acres, of which 2 million comprise existing inundation irrigation to which an assured supply will be given, while the remainder is at present almost entirely uncultivated. The cost of the scheme will be about £18 millions.

Future programme.

The Cauvery reservoir project in Madras and three great irrigation schemes in the Punjab, which were referred to in the report for last year have not progressed beyond the stage of examination. Every province has several schemes under investigation which are not yet ripe for sanction, but, taking into consideration only those schemes which are likely to be constructed within a reasonable time, an addition of over 6 million acres to the area irrigated is anticipated from them.

The record area irrigated by Government irrigation works was attained in 1919-20 when 28½ million acres were irrigated. By the time the projects now under construction are in full working order, and assuming that the Sukkur Barrage is also built, a total of 40 million acres is confidently anticipated. Allowing for the most promising projects now under construction and for the natural expansion of existing schemes an ultimate area of 50 million acres is by no means improbable.

It will be apparent from the preceding paragraphs that the Indian irrigation system, despite the scope which exists for its future expansion, is already highly developed. The same cannot be said of certain other activities designed for the development of natural resources. Among those forms of latent wealth which would unquestionably yield excellent results to intensive exploitation, Forests and Fisheries may be specially selected for a brief description.

Forests.

The injury that has been done to many countries by the destruction of forests is a commonplace, and India has escaped none of the penalties which arise from this form of negligence. The forests in the plains which once provided a hunting ground for the Moghul Emperors have mostly disappeared, and the land has either been taken into cultivation or has become a waterless deserted tract with ever-increasing ravines. On the hill sides the blind destruction of forests has led to many serious consequences; after denudation water pours down from the hills with great force and volume, since the trees no longer discharge their functions of storing water and doling it out gradually. Deep ravines are formed, the vegetation and the fertile surface soil are swept away. The process of deforestation in India has probably been going on for hundreds of years but only in recent times has it attracted much attention. When the necessity of forest conservation became apparent under British rule, the evil had proceeded very far. Perhaps the most serious consequence which it entails is the necessity imposed on the population of northern India of seeking their fuel-supply elsewhere than from brushwood. The fact that the greater part of the animal manure of Hindustan is consumed as fuel, owing to the lack of suitable wood, has exercised a profound and most disastrous influence upon the husbandry of the country by depriving the land very largely of what properly pertains to it.

Destruction of forests.

Forestation and popular Misconception.

Unfortunately, these broad national aspects of forestry are hardly realised in India. Much work still remains to be done is educating the public to an appreciation of the value of India's forests as a commercial asset. At present the lessons taught by the war to other countries are still imperfectly appreciated, and there is some reason to apprehend that the Forest Department may find itself increasingly in conflict with the politicians of India ; and that the protection of the interests of future generations may have to be subordinated to the expediency of satisfying immediate popular clamour. If this should unfortunately prove to be the case, the position built up by India as the pioneer of forestry in the British Empire is likely to be lost. In illustration of some of the special difficulties which in these days beset the working of India's forests, mention may be made of the conditions now prevailing in the Madras Presidency. Here the village ryot finds it difficult to understand the value of postponing immediate advantage to future benefit, and the forest restrictions therefore appear to him unnecessarily irksome. During the first few months of the year under review, the exploitation of the prejudices of the villager by the emissaries of the non-co-operation movement greatly enhanced the difficulties of the Department. As an interesting light upon the methods adopted by those responsible for this agitation, it may be noted that in one district where collections had been made for the support of this political movement, the villagers were led to suppose that the receipts granted to them by the travelling collectors covered also the right to graze in the forest reserves adjoining their villages. Later, as non-co-operation fell into discredit, the relations between the forest officers and the people improved : and there are even some indications that the educated classes are beginning to understand the importance of forest conservancy. The attention of Government has for sometime been specially devoted to endeavours to differentiate between real and fictitious grounds of complaint. Forest Committees have been organised to constitute an agency for the control of grazing areas and small reserves utilized primarily to meet village requirements. During the period under review, these committees are reported to have taken very little interest in their work, and lately a staff of inspectors has been sanctioned in the hope that better results will shortly be obtained. In order to secure systematic exposition of the aims and objects of forest conservation for the enlightenment of the public, the local Government have created a standing Committee of the Legislative Council for the

In Madras.

purpose of dispelling misconception and of fostering the spirit of co-operation with the Department. These efforts are beginning to yield satisfactory results; and as a result of a special enquiry, orders have been passed with the object of meeting so far as possible the prejudices of the villagers. In the United Provinces, the ill-feeling entertained by the hill people against the forest policy of Government in Kumaun, led to a number of incendiary outbreaks which caused most serious damage. Most unfortunately, the outburst of lawlessness occurred in a particularly dry and waterless year, with the result that the immediate direct loss of revenue caused by these fires amounted to Rs. 3½ lakhs exclusive of the great injury inflicted on young trees in regeneration areas. A committee was therefore appointed to enquire into the grievances of the local population, and its recommendations were accepted by Government. From the point of view of forest conservation, it is feared that their general result will probably be the gradual destruction through the processes of burning, grazing and lopping, of all forests save those remaining under strict departmental control. The local Government, however, being convinced that the people of Kumaun would have been satisfied by nothing less than that which the Committee recommended, considered there was no alternative but to put the recommendations into force as early as possible.

In the United Provinces.

Despite all these difficulties, and the additional disadvantages of shortage of staff and hampered development due to financial restrictions, Indian forests yield a considerable revenue to the State. In the year 1920-21, the latest date for which complete figures are available, the surplus of revenue over expenditure of the Indian forests amounted to Rs. 1·77 crores. And in considering this figure it must be remembered that the accounts of the Forest Department are not at present thrown into full commercial shape. Experiments in the direction of opening special accounts for capital works, and removing from the revenue side all but the interest annually debited thereto, seem likely to yield very interesting results. In the Punjab, for example, it is found that when the forest accounts are thrown into a businesslike form, the revenue for the year shows a 35 per cent. return on the working expenditure. Further, it should be remembered that while the total forest area in India covers more than a quarter of a million square miles, less than 60,000 square miles have at present been brought under regular scientific management as prescribed by working plans. The immense scope which exists for expansion

Forests pay.

in the future, may thus be more readily imagined than described. Already there are signs of a beginning of a new era. The increased demand for timber and other forests products resulting from war conditions has un doubtedly stimulated forest development throughout India. Local Governments may now be considered to have completed in the main the reorganisation of staff necessary for development in the immediate future. The sanctioned staff of the Imperial Branch of the Forest Service has been raised to 399, of which number 353 are henceforth to be directly recruited and the balance obtained by promotion from provincial service. As an index of the success of the popular demand for the Indianization of the service, it may be mentioned that during 1922, nine probationers out of a total of 26 were Indians and one was a Burman. Unfortunately, at the beginning of July 1922, there was still a shortage of directly recruited officers amounting to more than 100, which was not balanced by the number of probationers then under training in England. If forest development is to proceed upon an orderly plan, it is of course necessary that circles and divisional charges should be divided as time goes on. Moreover it is also necessary to provide special posts for utilization and for research work: as well as to augment largely the staff of the Central Research Institute. Among the most important lines of future development may be mentioned that of forest engineering.

Hopeful signs.

One of the two consulting Forest Engineers, employed by Government on a temporary basis, whose appointment was extended by an additional year, has continued to investigate projects and to draw up schemes. Much valuable work has been accomplished, but it is to be feared that financial straits and the lack of any system of providing funds for considerable capital expenditure, however heavy the returns may be, will entail delay in the execution of these plans. How much remains to be done from the point of view of exploitation is indicated by the fact that the outturn of timber and firewood from all sources amounted in 1920-21 to just under 300 million cubic feet, which represents only about 2 cubic feet per acre from all classes of forests. This yield is far less than the forests of the country are capable of providing under more intensive systems of development, and by the aid of more up-to-date methods of extraction than exist at present.

Forest Engineering.

A certain progress has none the less been made in establishing and consolidating definite relations with the commercial world. The possibilities of utilising

Exploitation.

bamboos for paper pulp are now fairly established, and the number of firms to whom grants of concessions have been made for this purpose has increased. A considerable part of the extensive forest areas of bamboo and Savannah grass could no doubt be utilized for the manufacture of paper and paste board now imported. In the same way, large private concerns are now undertaking the extraction of timber, the manufacture of ply wood and the like, on long term leases. There is great need for development in this direction, for India, with her quarter million square miles of forests, still imports wood and articles made of wood. Much is however hoped from the introduction to new markets of Indian timbers hitherto little known. This cannot fail to be of advantage to the consumer in other parts of the world and to the development of the forest industry of the country.

Minor Industries.

Minor forest industries are also of growing importance. In the United Provinces the output of resin was considerably reduced during the year under review by the outbreak of incendiarism. The fires reduced the area under tapping from 86,035 acres to 32,975 acres. The number of channels (*i.e.*, cuts for tapping resin) fell from 1,850,000 to 700,000 and the yield of resin fell from 92,000 maunds to 27,408 maunds. It may be noticed that the policy of the United Provinces Government regarding the utilization circle includes the maintenance of model institutions employing the most up-to-date machinery and imparting instruction in the latest methods of work, with a view to facilitating and developing both the resin industry already mentioned as well as wood working in general. The investigation of numerous forest products and by-products presents a wide field for future development. The afforestation of denuded ravine lands, mentioned in last year's report, is steadily proceeding; and in the period under review, some 2,000 acres of new plantation was laid down. The cost of afforestation is borne by Government and is recouped from the revenue receipts, the profits being afterwards paid to the owners of the soil. The results achieved are very successful. Erosion is arrested, good crops of grass obtained, and tree growth is established.

Side by side with commercial exploitation and the improvement of forest conditions must go research into forest economics and the investigation of the problem of reproduction and protection of forest crops.

Research.

The Industrial Commission laid stress upon the necessity for expert investigation into these and cognate problems on a more extensive scale than has hitherto been possible. The Commission considered that the Forest Research Insti-

tute of Dehra Dun did not possess equipment sufficient to meet the calls upon it; accordingly a general scheme for the enlargement of the Research Institute and of the scope of its activities was sanctioned. Fair progress has been made with the construction of the new Research Institute at Dehra Dun. It is hoped—provided the necessary funds are forthcoming—that the Economic and Zoological Sections will be completed shortly and that these two sections will then be able to function as a separate entity without any necessity for incurring immediate expenditure on finishing the whole of the 1¼ crore project, the completion of which will be deferred until such time as the financial situation improves. The activities of research continue to expand, but unfortunately, the lack of money is making itself felt, and as a consequence progress in the investigations which will lead to the fuller and better utilization of the raw products by Indian forest is being retarded. Owing to the present financial stringency the Tan section of the Forest Research Institute has been closed down, and the appointment of the Tan Expert to the Government of India has been abolished. It may, however, be mentioned that an up-to-date experimental paper and pulp plant has been obtained for use at the Institute, and as soon as machines are erected, it is proposed to carry out a complete series of tests on Savannah grasses. Among the more important functions of the Forest Research Institute is that of acting as a link between forest officers all over India. In order to promote co-operation and co-ordination between the local Research officers and the officers of the Institute, two conferences, one devoted to sylviculture and the other to Utilization were held in Dehra Dun in January 1922, and it is proposed to hold similar conferences periodically.

Fisheries ; Bengal.

In her fisheries also India possesses considerable national wealth, to which attention has been prominently directed by the Indian Industrial Commission. In many parts of India the consumption of fish in cities and towns within reasonable distance of the coast is both considerable and steadily increasing. For example, the statistics of fish imported into Calcutta during the year 1921-22 shows an increase of 1,747 tons, or about 13 per cent. over the figures of 1920-21, and of 33 per cent. over the figures for 1919-20. The significance of this increase will be realised when it is stated, that the total importations of fish into Calcutta have steadily advanced from 346,378 maunds of 82 lbs in 1917 to 417,684 maunds in 1921-22. To meet this steadily increasing demand, continuous

and ruthless fishing is carried on throughout the year—a fishing which does not spare even spawn and fry. There is thus every reason to fear that unless legislation can be introduced for the enforcement of a close season, the local fisheries of Bengal will soon become seriously depleted. The first necessity of the situation is the spread of sound ideas among the fishermen, who are at present of low caste, ignorant and uneducated. The Bengal Department of Fisheries is doing excellent work both in awakening popular interest to the importance of the whole subject and educating the fishermen themselves in sounder methods. In pursuit of the latter object the most effective method has been found to lie in the employment of co-operative societies, which are now steadily increasing in number. Special schools have also been established with considerable success for the teaching of children of fishermen.

Madras.

In Madras, where the Department of Fisheries has been long established considerable success has been attained in several useful lines of activity. The demand for the products of the Government Cannery is increasing; the fish meal prepared at Tanur has already found favour of cattle breeders and poultry raisers. Improvements, tending to cleanliness and hygiene, have been made in many of the fish-curing yards, the curers being helped where necessary, by Government. The Department continued to supply zoological specimens to educational institutions throughout India; and important research work, mainly connected with the life histories of the sardine and the mackerel, was undertaken during the year under review. From the Inland Piscicultural Section, which has had considerable success in the stocking of tanks with edible varieties of fish, good financial results are being obtained; while the breeding and distribution of the larvicidal fish used in anti-malarial operations have continued. Continuous efforts are being made to raise the status and the prosperity of the fishermen. Co-operative Societies among this class of the population are flourishing; and temperance and educational work, although hampered to some extent by political agitation, continue to show satisfactory progress. In Bombay the experiment in trawling which was begun in February 1921 was closed in May 1922 and the trawler sold, as it was apparent that trawling was not a commercial proposition in Bombay waters. Owing to the need of retrenchment, the entire fisheries section was closed by the end of the year.

Bombay.

In the Punjab the development of fishing as an industry, despite its enormous potentialities, has until recently been frustrated by the use of unsatisfactory

Punjab.

methods. It was common for one contractor to take the fishing lease for a whole district, and to form up a monopoly from men of his own choice, to the exclusion of the remaining fisher folk living on the river side. As a result of the representations of the Fisheries Department, this monopoly system is being abolished. The middlemen who market the catch are being induced to open shops or markets in big towns where there is a considerable and regular demand for fish. Legal powers are still required for the enforcement of restriction on the size of meshes of nets; for the institution of a close season and for other measures necessary for the preservation of the fish. The Fisheries Department finds at present that the main opposition to its activities comes not from the professional fishing castes, whose interests of course, it is designed to safeguard, but from outsiders; who are not interested in the future propagation of fish so long as their baskets are well filled for the present. The increasing popularity of the Department among the fishermen themselves is largely to be ascribed to the system of lectures and propaganda, for explaining the work of the Department which has been for sometimes in operation.

Communications.

In the preceding pages we have briefly reviewed the course of India's economic life during the year 1922-23, and the progress which has been accomplished in the development of her natural resources. It now remains to describe the condition of what is perhaps the most indispensable of all requisites to her prosperity—her system of communications. Quite apart from the vast distances which have to be traversed, and the natural obstacles which must be overcome, in passing from one region of the Indian subcontinent to another, the internal communications, even of a restricted area, frequently break down altogether in the rainy season. Throughout the whole of India's history, the difficulties of communication have exercised a preponderating influence upon her political as well as her industrial development. These difficulties, despite railways, telegraphs, motor-transport, and other expedients undreamt of in older days, still persist as a formidable obstacle to the progress of modern industry. Unceasing effort and expenditure upon a scale hitherto impossible willl be necessary if the communications of India, whether by road or by rail, are to be adequate to the requirements of the country. During the period now under review, the utilization of mechanical transport for military and other purposes has continued to develop. But the use of mechanical transport depends upon increasing improvements in road communication.

The necessity for extending India's roads is becoming every year more apparent. At present the economic loss caused by the inaccessibility of many agricultural districts in the rainy season is considerable; and this cannot be remedied until the system of trunk roads is further developed. The progress which is being made year by year is wholly inadequate for the necessities of the country. The total mileage of metalled and unmetalled roads maintained by public authority is still only about 200,000. The matter should receive close and early attention by the responsible authorities, and public interest must be aroused in the question. At present this interest is dormant, with the result that in most of the provinces of India the roads, except in the immediate neighbourhood of large towns, are undoubtedly deteriorating rapidly. This is largely a consequence of the determination of the local bodies to spend the major portion of their resources on such "popular" and showy activities as education rather than upon the vitally important item of communications. Unless the reformed provincial Governments can devote to the roads within their area the necessary attention, and can impress upon municipalities and district boards the disastrous consequence of continued neglect, there is every prospect that in the near future the high way system of India, so far from extending in accordance with the needs of the country and the increase of motor road transport, will fall into serious disrepair. To judge from the reports of the local governments, the outlook is not hopeful; and measures should be taken without delay to check further deterioration of the road systems of the country side and draw up progressive programmes of road improvement with priority of financial outlay.

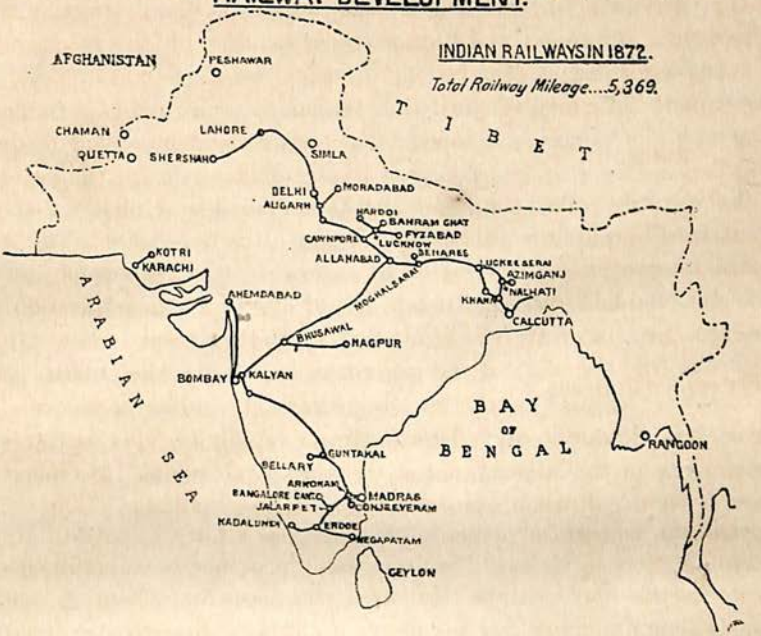
Roads.

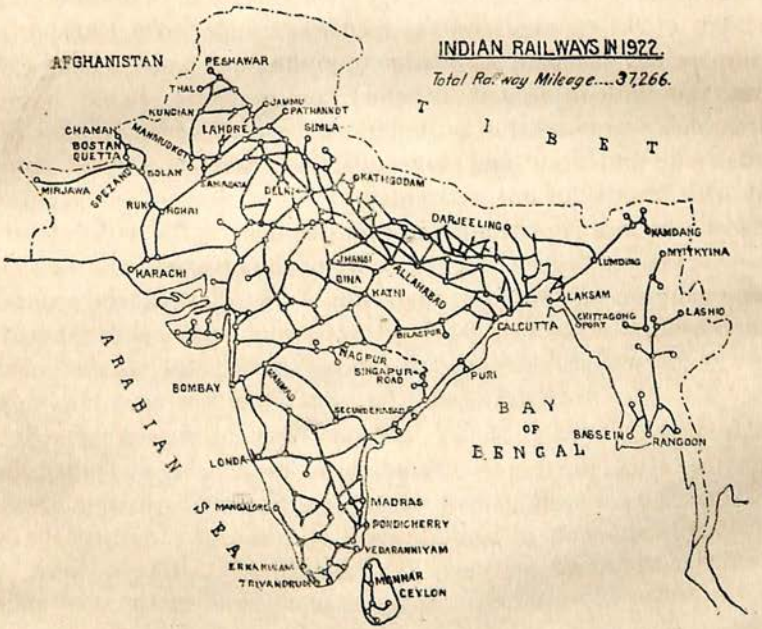
Deterioration of Roads.

Of all the means of communication in modern India, the most important is the railway system. A study of the maps illustrating railway development on the opposite page will show that in the course of the half century since 1872, the total railway mileage of India has expanded from 5369 to 37266. During the last 22 years the net gain to Government from the working of all railways has aggregated nearly Rs. 108 crores, after all interest charges have been paid, and after liberal contributions have been made in certain cases to the extinction of capital liability by payment of annuities. Unfortunately, during the year 1921-22, for the first time since 1900, the railways of India have fallen from the status of an important source of revenue to the position of a

Railways.

—RAILWAY DEVELOPMENT—





heavy liability. The receipts to Government from Indian railways in the year under review amounted to Rs. 81·94 crores; while the total charges worked out at Rs. 91·21 crores, representing a net loss to Government of Rs. 9·27 crores or just over 11 per cent. Fortunately, we are not justified in taking these results as any true criterion of the future of Indian railways; still less as an argument that the railways themselves have ceased to be a paying proposition. The truth is that they have not been exempt from the efforts of a combination of unfavourable economic factors which have influenced every form of business in India and, indeed, throughout the world at large. For while the working expenses have risen in an unprecedented degree, the slump in trade has prevented the earning power of the lines from rising proportionately. India is not alone in her difficulty; and in comparison with other countries, may even discover some grounds for congratulation. An analysis of the railway traffic for the year 1921-22 reveals many points of considerable interest. The total gross earnings of all lines, including therein the shares both of the Imperial Government and of other proprietors was Rs. 92·88 crores—nearly a crore of rupees greater than the figure for 1920-21, which of itself may be taken as remarkable evidence of a capacity for increased earning powers even under unfavourable conditions. This rise of nearly a crore is found to be made up of a fall in passenger earnings of half a crore and a rise under goods of about 1½ crores. The number of passengers carried during 1921-22 amounted to over 561 millions as against 559 millions during the year 1920-21. This increase is due principally to 3rd class passengers, the number of travellers by first and second and intermediate classes having declined. The small increase in numbers, in contrast with the rapid progress described in last year's statement, may be ascribed to the fact that economic causes have forced the third class passengers in India as elsewhere to forego indulgence in long journeys. Another factor operating in the same direction is probably the insufficiency of stock, which has forced many railway administrations to refuse to make special arrangements for the great fairs which in the ordinary course of events attract large numbers of passengers.

Financial difficulties.

Traffic in 1921-22.

Passengers.

Turning to goods traffic, it is interesting to notice that as compared with the year 1920-21 the tonnage lifted showed a decrease of over one million tons, while the earning went up by Rs. 1½ crores. This apparent anomaly is explained

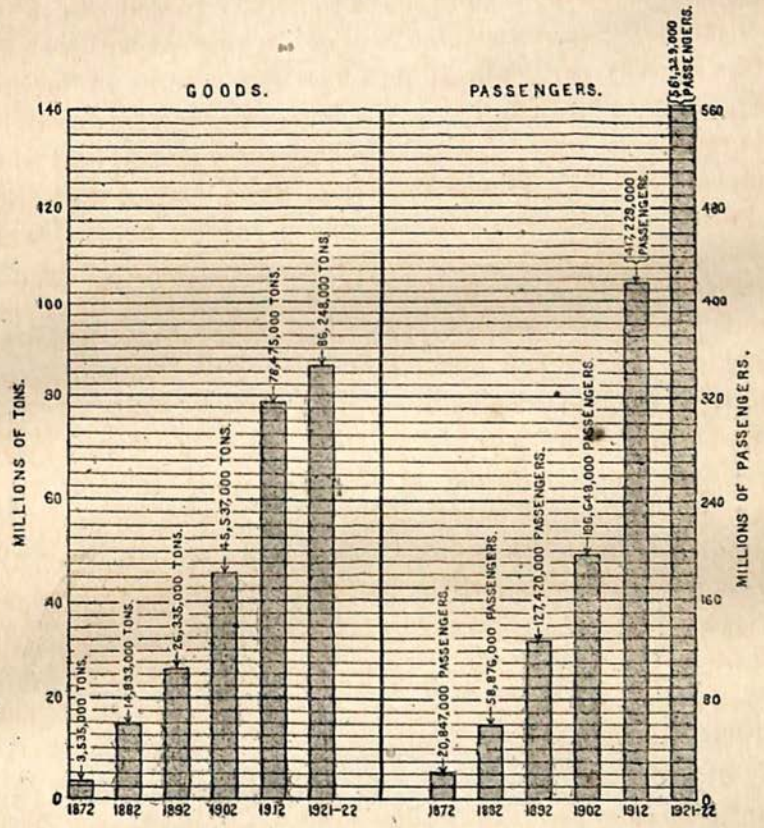
Goods.

by a fall in the transport on commodities carried at cheap rates—principally coal—accompanied by increases in some of the better paying commodities. So far as tonnage is concerned the most important commodity carried, as during the preceding five years, was still coal; which in 1921-22 represented about 22 per cent. of the total goods traffic. It should be noticed that the present output of domestic coal is barely sufficient for India's need; while during 1921-22, the raisings from collieries were seriously decreased as a result both of labour troubles, and of transportation problems aggravated by shortage of wagons. Indeed one of the causes underlying the unprecedented rise of working expenses, which forms a feature of the year's railway deficit, is found to lie in the great increase in expenditure on fuel, due to the higher prices paid for Indian coal and the necessity of importing at very high rates foreign coal to the quantity of no less than 0·7 million tons. In order to extend the sources of supply and to avoid the necessity of resorting to foreign sources, it was decided to devote any funds which can be spared to such new construction as will facilitate the opening out of new coal bearing areas. In the railway programme for 1922-23, provision has accordingly been made for two important coalfield lines. The first, the Talchar Coalfields Railway, will serve the newly proved coalfields in a feudatory State of Orissa known by that name; the latter, the Hesla Chandil Railway, will open out the Karanpura Coalfields. The construction of these lines, which is being undertaken by the Bengal Nagpur Railway Company, should eventually relieve the present situation in regard to coal supplies. With a view to removing those difficulties in the transport of coal, which continued to excite considerable complaint on the part of the public during the year under review, it has been decided to introduce a new method of regulating the supply of wagons in the coalfields of Bihar and Orissa and Bengal. This scheme is in effect a partial reversion to the system of wagon-distribution in force before the war. It was introduced experimentally for three months with effect from the 15th November 1922; and the results are still awaited. Fortunately, even before the end of the calendar year 1922, the coal situation in India showed signs of becoming more satisfactory. The world prices of coal have now fallen; the railways and most of the industries have adequate reserves; and accordingly it has been decided to withdraw the embargo on the export of Indian coal which has been in force since July 1920.

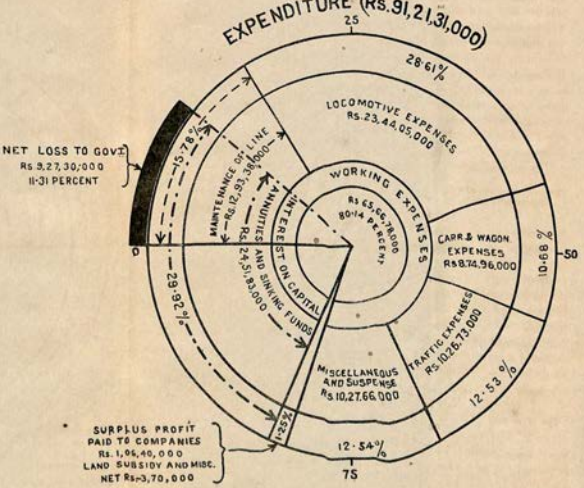
Railways and the Public.

As was mentioned in last year's statement considerable public criticism has lately been directed against the shortcomings of the Indian Railways.

DEVELOPMENT OF GOODS & PASSENGER TRAFFIC DURING THE LAST FIFTY YEARS.



RAILWAY RECEIPTS AND EXPENDITURE ON STATE OWNED LINES IN INDIA, 1921-22.



The complaint most frequently made against them is that of overcrowding. It is also pointed out that there are serious grievances in connection with the transport of the third class passengers who constitute the most remunerative portion of the travelling public. The absence of suitable waiting rooms, of water supply, and of conveniences in the carriages themselves, are frequently denounced in no measured terms by the Indian press. Other grievances of which complaints are frequently made are the uncivil treatment of passengers by the railway staff; the difficulty of securing compensation for goods lost or damaged in transit; and accusations of bribery in connection with the allotment of wagons necessitated by the various forms of government control in the war and post-war periods. These grievances were prominently brought to light by the Report of the Railway Committee presided over by Sir William Acworth to which reference was made in last year's Statement. It is unnecessary here to repeat the summary which was therein given of this comprehensive document, which deals with every phase of railway management and finance in India. We may confine ourselves to a brief description of the steps which Government is taking to discover a solution for the various problems brought to light.

The Acworth Committee's Recommendations.

Up to the time when the Railway Committee reported, the annual allotments for railway expenditure in India had been determined from year to year; and the amounts have consequently varied irregularly in accordance with the general financial position of the country. The unhappy results of this arrangement were very forcibly brought out by the Acworth Committee, which proposed a remedy of a very far reaching order. It was suggested that railway finance should be completely separated from the general finance of the Indian Empire; and that railway management should be emancipated from the control of the Government Finance Department. As stated last year, these proposals were first considered by a special committee consisting of members of both Houses of the Indian Legislature, and afterwards by the Legislative Assembly. The Committee came to the conclusion that the question of separating railway finance on the lines laid down by the Acworth Committee was outside the domain of practical politics in the existing condition of India. They recommended, however, that the question should be re-examined three years hence, when it might be hoped that conditions would be more normal and financial equilibrium be

The Five-year Programme.

re-established. The Committee were greatly impressed by the evidence recorded in the Acworth Committee's Report in regard to the need of the rehabilitation and improvement of existing lines; and they considered that a guaranteed programme extending over a course of years was as important as the employment of larger funds. They accordingly recommended that a programme for capital expenditure amounting to Rs. 150 crores should be prepared on a five year basis; that there should be no lapse of the money voted for any one year if it were not spent within the year; and that the sum should be devoted to the rehabilitation and improvement of existing lines, to the completion of lines already under construction, and to the improvement of the conditions of travel of third class passengers. The Legislative Assembly, while reserving their opinion with regard to the separation of railway finance from the general finances of the country, accepted the Committee's proposals in respect of the five years programme. This recommendation has since been accepted by the Government of India and the Secretary of State. A quinquennial programme of expenditure has been prepared by the Railways in accordance therewith. The Committee had also recommended that measures should be taken to calculate the amount of annual depreciation on railways so that this liability might automatically be provided for. As a preliminary to the consideration of this proposal, a Committee has been appointed to visit all Railways and to fix in consultation with local officers a sum which it will be necessary to provide annually for each line. Another important direction in which action has been taken by Government is the reconstitution of the Railway Board. As a preliminary to the reorganisation of this body, a Chief Commissioner of Railways with power to override the Board has been appointed from the 1st November 1922. The incumbent of the post, Mr. C. D. M. Hindley, late Chairman of the Calcutta Port Trust and previously Agent of the East Indian Railway, enjoys the confidence of the business community throughout India, and his selection has been widely approved in the public press as an augury of improvement in the future. Of the remaining general proposals of the Railway Committee, the important matter of the constitution of the Rates Tribunal and the vexed question of State *versus* Company Management are still under consideration. Regarding the latter there has been much discussion both in the newspapers and in the Legislature during the year under review. As we noted in last year's Statement the Acworth Committee

Rehabilitation and Depreciation.

The Railway Board.

was divided on this question. One half, including Sir William Acworth himself, favoured State Management, while the other half preferred management through the medium of Indian companies. Broadly speaking Indian political and commercial opinion was generally united in the demand that State Management should be the watchword for the future of Indian railways. The European business community was divided upon the question, and was inclined to favour management through the medium of indigenous companies calculated to give India all the benefits associated with true company management in other countries. The course of discussion both within and without the Assembly gave some reason to fear that this essentially commercial matter was being approached in some quarters with a certain political bias. The accusation was freely made that the railway policy hitherto pursued had been deliberately inimical to Indian interests and industries, and had favoured British manufacturers and British trade interests. Point was lent to the discussion by the fact that the contracts both of the Great Indian Peninsular and of the East Indian Railways will lapse within the next two years. In February 1923 the matter came up for debate in the Legislative Assembly. Government put forward a proposal, which while agreeing that these two railways should be taken over for management by the State, left the door open, after such grouping as might be desirable, for handing over the management of one or other railway to an indigenous company, calculated to exemplify the benefits of company management as generally understood. The feeling of the Indian non-official members was distinctly in favour of wholehearted State Management; and despite the arguments put forward both by Government and by a number of European commercial representatives, the Government proposition was rejected in favour of a simple motion for taking the two railways under State Management on the expiry of their contracts.

State *versus* Company Management.

In regard to the other and more "popular" grievances voiced from time to time in the public press, and authoritatively recounted by the Acworth Committee, Government has taken energetic steps during the period under review. A special investigation was made by Government Inspectors into the problem of overcrowding, and their recommendations are already being dealt with by many railways. The difficulties fall into certain well defined categories. First there is the question of rolling stock. Since any shortcomings in this respect are very obvious to the general public,

Overcrowding.

it is perhaps inevitable that they should take precedence over all other railway matters in newspaper criticism. Indian Railways are now, as a result of the difficulties connected with the war period, insufficiently equipped to enable them to deal satisfactorily with all the passenger traffic to be carried. The direct remedy to this is obviously to construct more stock ; and during the year 1921-22 there were added 378 engines, 289 coaching vehicles, and 6,322 wagons. By this means the total rolling stock was brought up to 9,743 engines 25,240 coaching vehicles and 207,516 wagons. But the problem of overcrowding is not to be dealt with so simply. It is obviously useless to equip railways with a liberal supply of stock, unless provision is simultaneously made for increased engine power and for improving the capacity of lines in such fashion as to enable extra trains to be run. It is in this respect that the most formidable difficulties are encountered—difficulties which entirely fail to gain the recognition of those who criticise the present conditions of travel. Wherever a railway line is single, the number of trains which can be passed along it is strictly limited. Wherever gradients are heavy, the loads of trains must be limited. As platforms are short and yards inadequate, trains longer than those at present running cannot be accommodated. In such cases it is plainly useless to increase the number of carriages until there is more capacity to utilise them. Every possible effort is being made in the five year programme to deal with these difficulties ; but from their very nature they cannot be quickly removed. Much is being done. Already important terminal stations on several railways are being remodelled ; the doubling of lines is being pursued ; crossing stations are being provided ; suburban lines are being electrified to prevent local congestion. At the same time, efforts are being made to redress and remove the grievances of the third class passengers. Waiting accommodation and booking facilities are being improved ; water supply is being properly regulated ; conveniences in the carriages themselves are being ameliorated in all new constructions. The supply of food for passengers is being carefully investigated ; and special refreshment rooms are being provided at all important stations. Indian passenger superintendents are being appointed on various lines whose sole duty is to look after third class passengers and to give them information and assistance. Stringent instructions have been issued to the railway staff that prompt notice will be taken of every proved incidence of incivility or want of attention. Further, a Committee has been appointed, as a result of a Resolution in the Indian Legislature,

The Third Class Passenger.

to report on the revision of railway risk note forms, in such a way as to safeguard the interests of the railways, while affording the general public greater facilities in claiming compensation for goods lost or damaged. Among the other steps taken by Government to give effect to the recommendations of the Acworth Report, mention may be made of the institution of a Central Advisory Council, which has been formed of selected members drawn from the Legislative Assembly and the Council of State. Local Advisory Councils are already being constituted in connection with certain of the large administrations, and a plan for giving general effect to the proposal will, it is hoped, shortly come into force.

Railway Risk Notes.

Two other topics of general interest in connection with the Indian railways may be briefly mentioned. The first concerns railway materials. A study of the figures of imported and indigenous materials purchased by the Indian railways in 1921-22 shows that imported materials were valued at Rs. 27·88 crores and indigenous materials at only Rs. 10·73 crores. Of the imported total, nearly half is represented by rolling stock. Until a few years ago, India's capacity to supply this item was practically negligible, and even now the output is small, and has been up till lately regretably uncertain. Fortunately however, private enterprise is now coming forward in increasing strength to meet this demand; and a regular start has been made in the establishment of railway industries. Mention is made in another place of the appointment of a Railway Industries Committee, which, however, was unable to complete its investigation pending the publication of the Report of the Indian Fiscal Commission. There is one important point which must not be omitted from a consideration of this topic. If railways are to work economically in the best interest of the tax-payer, it is essential that they should buy their material in the cheapest market. Since prices in England and elsewhere are falling rapidly, Indian-made materials must keep pace if they are to take the place of supplies from abroad. It is hoped that measures now being taken will enable the stores balances on State owned railways to be largely reduced; but until the enterprise of India's own manufacturers can make the country more independent of foreign sources of supply, a regretably large amount of capital will have to be locked up in stores.

Railway Stores.

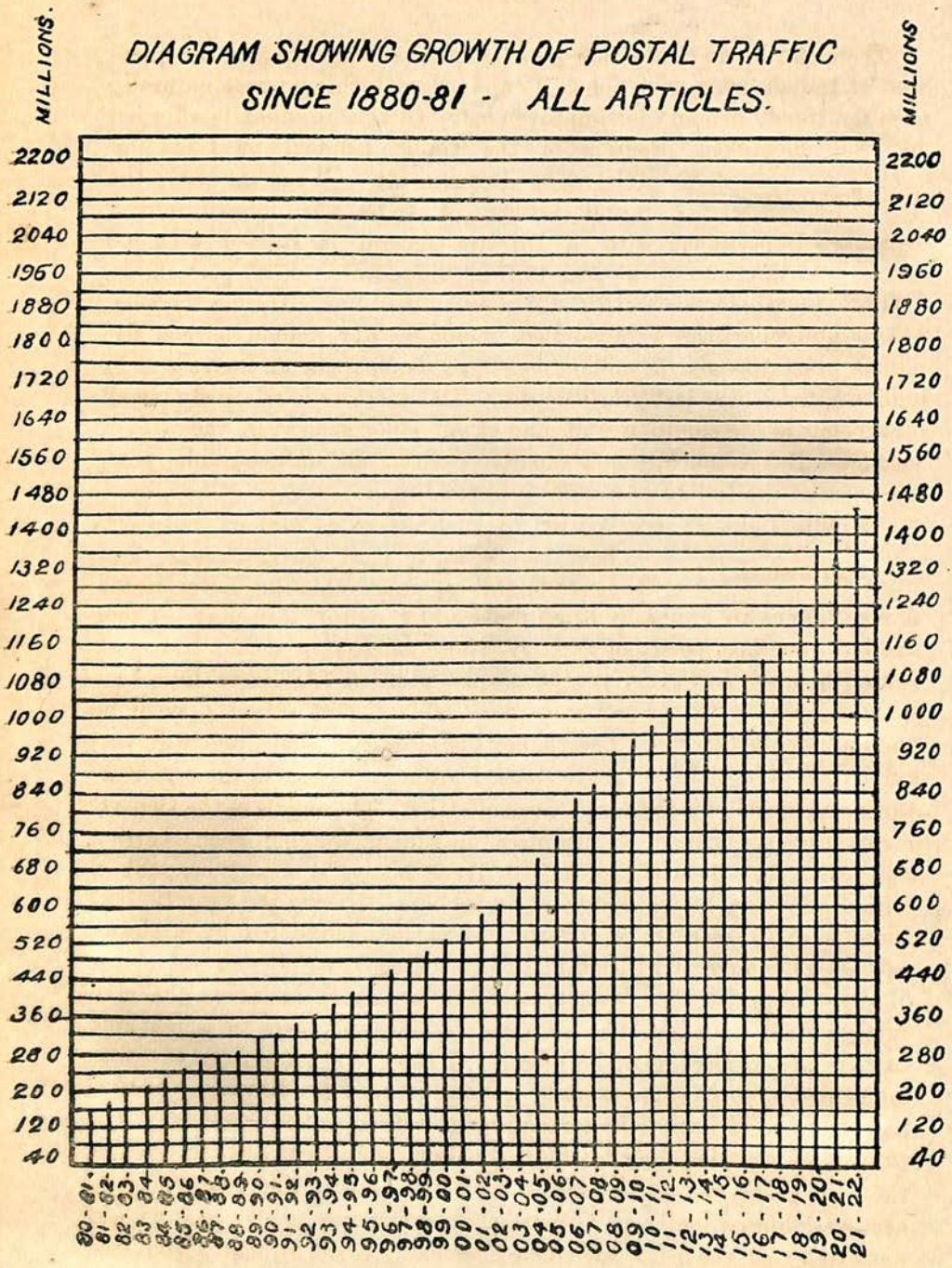
The second topic of which mention may be made is the progress achieved in satisfying the demand, constantly put forward in the public press, for the Indianization of the railway services. In accepting a resolution of the Council

Indianization.

of State in the Delhi Session of 1921-22, Government pointed out that they had already accepted the policy of gradual "Indianizing" the public services, and that the same policy would be applied to the higher railway establishments wherever possible. Something has already been done in regard to the superior establishment of State worked railways. In the Engineering Department, 20 per cent. of the officers are now Indians; in the superior Traffic Department 25 per cent. and in the Superior Stores Department 8 per cent. In the locomotive and carriage and wagon departments, it has only been possible to make a small beginning. This is due chiefly to the lack of facilities for proper training. Extensive schemes for the training of mechanical engineers are now, however, under consideration. Every railway company in India has expressed entire agreement with the general policy laid down by the Government of India, and has given practical evidence of its desire to give effect to it. In this connection it is interesting to note the progress made during the last six years on all lines taken together. In 1916, the number of Indians holding superior posts in all Departments of Company and State Railways in India was 85 : in 1922 it was 212. Further advance is being carefully watched and all Agents have been required to furnish half-yearly statements showing the appointments made. Measures are being taken, in some cases with the assistance of local governments, to improve the existing facilities for training, particularly in the direction of mechanical engineering. Notable examples are found in the workshops of Jamalpur, Kanchrapara, and Lillooah, where apprentices are taken and arrangements also exist for theoretical instruction. The Bengal Government propose to meet the cost of the technical school at Kanchrapara, including all equipment and the educational staff. In Bombay the Great Indian Peninsular and the Bombay, Baroda and Central India Railways have long had apprentice classes; the Madras and Southern Mahratta Railway provides for apprentices; and for the United Provinces classes already exist at Lucknow, Gorakhpur and Jhansi. At Lahore a college will shortly be opened for the training of electrical and mechanical engineers; and it will work in collaboration with the North-Western Railway shops; while the Bengal Nagpur Railway has arrangements for the training of apprentices in the workshops at Kharagpur, where night schools also exist for theoretical instruction. It is hoped that these arrangements to meet the needs of indigenous recruits for the railway service will be made more and more effective as years pass.

Technical Training.

DIAGRAM SHOWING GROWTH OF POSTAL TRAFFIC SINCE 1880-81 - ALL ARTICLES.



There can be no doubt that popular interest is growing in the question of Indian communications. Conjoined with this interest naturally goes the steady demand for improvement. Of this an index is afforded by the unchecked progress of the traffic handled by Posts and Telegraphs Department. When in 1854, the postal service of India was formed into a separate Department with a Director-General, it started with 700 offices. At the close of the year 1921-22, there were 19,557 post offices, 106,372 postal officials and 157,838 miles of mail line. During the year, 1421·6 million articles were handled, including 614 million letters, 648 million postcards and 78 million registered newspapers, an increase of 32 million articles over last year's figures. This increase is relatively small on account of the slump in trade and of an enhancement in the rates of postage. But it indicates how rapidly, even in an unfavourable year, the work of the Indian post office is expanding.

Post Offices.

Mails in India are transported by such means as runners, railways, horses, river craft, mail carts, camels and tongas; but where practicable the slower means of conveyance are gradually being replaced by motor transport. There are however vast tracts of country where railway or motor transport cannot be used, and every year sees some addition to runners' lines as a necessary adjunct to the numerous small village post offices opened in the interior of districts. The runner therefore still holds, and will continue to hold for many years to come, a prominent place in the organization as an agency for the conveyance of mails. The annals of the Department furnishes numerous instances of runners having been carried away by tigers, drowned in flooded rivers, bitten by venomous snakes, buried in avalanches or murdered by robbers. During the year 1921-22 there were 57 cases in which the mails were plundered by highway robbers as compared with 36 in the preceding year. Seven out of the 57 cases were attended with loss of life and in 13 instances the mail carriers were wounded. As an example of the dangers to which mail carriers are exposed may be mentioned the fact that during the year under review three runners while crossing rivers were drowned, the mail bags and the bodies of the carriers being subsequently recovered. The runners on the mail lines to Gilgit and Leh incur great risks in crossing the high passes during the winter months. During this year two runners were buried under an avalanche while carrying mails; one of them was extricated, the other was killed; the mail was subsequently recovered and found intact. In the face of all these dangers the mail

Mail Runners.

runners seldom shrink from performing their duty and no praise can be too high for the honesty, courage and devotion which they display.

Public Utilities.

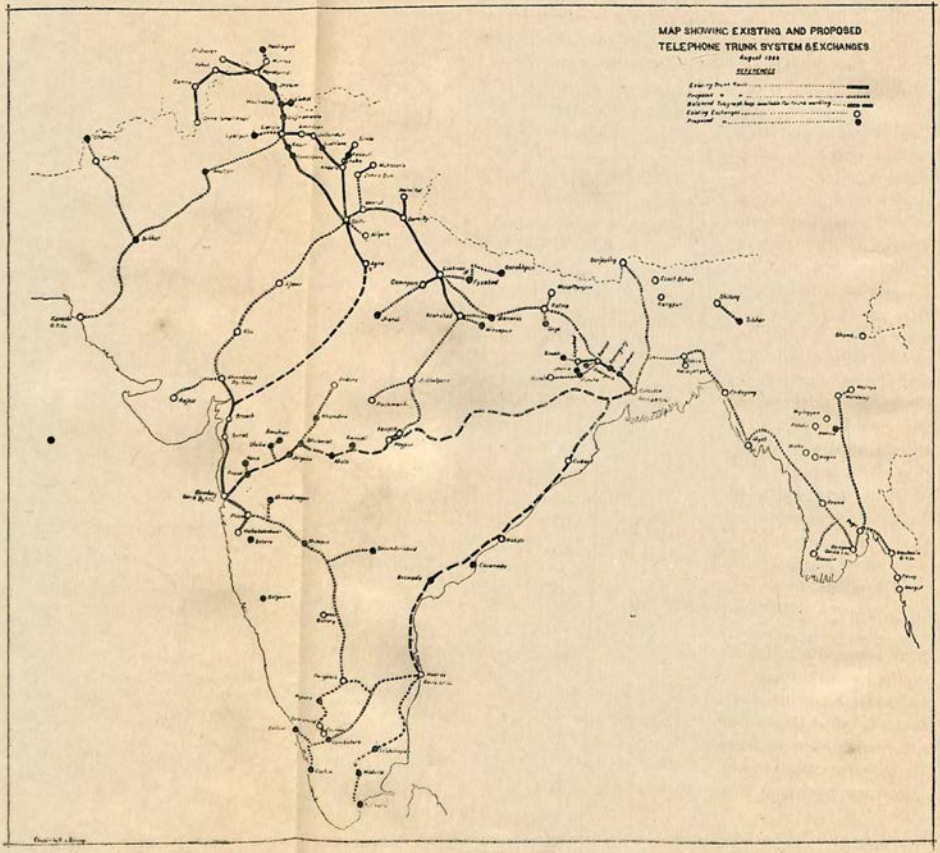
The public utilities of the Indian Post Office are not confined to the collection, conveyance and delivery of correspondence. In addition, it acts as a banker and agent of the public, it enables them to do their shopping from all distances, it sells quinine, it insures the lives of Government employees, it collects customs duty, it receives salt revenue, and it pays the pension of retired soldiers of the Indian Army.

Financial Results.

In 1920-21 the Post Office worked at a net deficit of Rs. 0·46 crores as a result of the increase of pay sanctioned for postal employees during that year. During the year under review a further revision was made in the pay of those officials whose case could not be considered in the previous year; with the result that the net deficit rose to Rs. 0·58 crores. Receipts were Rs. 5·83 crores and payments Rs. 6·41 crores. Although the advantages of cheap postage to a country such as India are inestimable, it is none the less desirable that a public utility service such as the Post Office should be kept thoroughly efficient. As this efficiency can only be maintained so long as the Post Office pays its way without having to starve its various branches, the minimum rate of postage on a postcard was raised from a quarter anna to half-anna and that on a letter from a half-anna to one anna with effect from the 24th April 1922.

Telegraph Branch.

The Telegraph Branch showed a profit, its total receipts being Rs. 3·48 crores against working charges amounting to Rs. 3·02 crores. The total number of Inland and foreign telegrams disposed of during the year 1921-22 was 20·6 millions, showing an increase of 3 per cent. as compared with the figures of the preceding year. The total line and wire mileage continues to grow steadily; and now consists of approximately 92,000 miles of line and cable carrying 412,000 miles of wire. At the close of the year there were over 10,000 Telegraph Offices open in India including Railway and Canal offices; and nearly 9,000 of them were open to the public. Notwithstanding the absence of a fairly large number of Telegraphists on Field Service and other duty during the year 1921-22, the resources of the Traffic Branch were not exhausted. In connection with the strikes of Railway signallers in 1921 and 1922, valuable assistance was promptly given to the Assam-Bengal and the East Indian Railways by the Telegraph Department, and the crisis was tided over. The re-organization


MAP SHOWING EXISTING AND PROPOSED
TELEPHONE TRUNK SYSTEM & EXCHANGES
August 1944
REFERENCE

of the Wireless Branch received, in a modified form, the sanction of the Secretary of State the Branch now consists of a Headquarters forming a part of the Director-General's office and two Divisions which include the Executive Officers and all subordinate staff. Progress was made towards placing the Branch on a satisfactory commercial footing by introducing as far as funds permitted up to date apparatus and other improvements. Licenses to establish, maintain and work Wireless Telegraphs (Fixed and Mobile Stations) in British India, were sanctioned by Government and are now issued to *bonâ fide* experimenters, amateurs, instructional establishments and to firms to establish wireless communication for business purposes, as well as for ships registered in British India. Licenses to import Wireless Telegraph apparatus were also sanctioned; all wireless apparatus in India being thus kept under Government control. The legislation relating to Wireless Telegraphs in India has been brought up to date; and includes the Indian Wireless Telegraphy (Shipping) Act, 1920 and Rules thereunder. Owing to the revision of charges for radio telegrams exchanged with ships at sea, in conformity with the charges in force in most other countries and the abolition of preferential rates for Government radio-telegrams, the total coast charge receipts were nearly double those of 1920-21, notwithstanding the fact that the number of radio-telegrams dealt with decreased slightly during the period under review. The receipt of the British Government press messages direct from Leafield (near Oxford, England) was facilitated by special apparatus designed and constructed at Karachi. Considerable progress was made in the design of new receiving gear and the testing of up to date and modern transmitting apparatus. The Instructional Establishment continued to do satisfactory work and about 250 men were tested or trained during the year. Of these approximately 150 were for the Department and 100 for the Army.

Wireless.

Telephone development is still in its infancy. There has been considerable growth of late; and at one time a notable expansion was anticipated within the next few years. But it is not now probable that these hopes will be realised as rapidly as is desirable. The Licensed Companies' systems at Calcutta, Karachi, Madras, Rangoon and Moulmein are all in the process of being modernised and, in the case of Bombay, arrangements are being made to instal automatic plant. The Post and Telegraph Departments also have in hand a programme for the installation of small automatic boards at some of the principal towns in India. The linking

Telephones.

up of the larger towns, especially in Northern India, by trunk lines, has steadily progressed. The trunk circuit mileage rose to 5,700 miles of wire against 5,600 miles in the previous year. On the 31st March 1922 there were in existence 256 exchanges with 11,973 connections owned and maintained by Government of which 159 exchanges with 1,343 connections were not operated by this Department. There were also 285 independent non-exchange systems with 1,110 telephones. The number of exchanges owned by the Licensed Companies fell from 11 in the previous year to 10; but the number of connections rose from 20,385 to 23,958. If Telephone development could be financed by Government it has an assured future.

Aviation.

Among other means of communication which in the future may play a great part in the development of India, mention must be made of aviation. Surveys of the primary air routes between Bombay-Calcutta, Calcutta-Rangoon, Calcutta and Delhi, Delhi-Karachi, have been completed; at some of the terminal stations aerodromes have been provided with landing grounds at intermediate points. Unfortunately, the general financial situation in India has brought civil aviation practically to a stand-still for lack of funds during the period under review. This is the more regretable since India and Burma, apart from the fact that they are on the direct line of communication to Australia and the East, are better situated naturally for the development of air transport than any other countries. Meteorological conditions throughout the most of the year are ideal; and any difficulties arising during the monsoon are easily surmountable. Geographical conditions by themselves invite the furtherance of aviation, since on many routes railways are practically impossible and the existing means of transport must continue slow and cumbersome. A notable example is the journey between Lahore and Srinagar in Kashmere, which at present involves some 24 hours exclusive of the usual halt of one night. By air the journey would be done in less than 2 hours and probably at a greatly reduced cost. Moreover the large commercial centres are situated at distances which conform conveniently to the speed of aeroplanes. A service between Bombay and Calcutta could be flown by night, departing with letters, etc., after business hours and arriving in time for their delivery next morning. This would mean a saving of two working days on each journey. Between Calcutta and Rangoon a night air mail service taking nine hours would save nearly three working days. With all the advantages that an increased develop-

Its Possibilites in India.

ment of civil aviation is likely to bring to India, it must be pronounced a matter of extreme regret that up to the moment of writing financial stringency has prevented all possibility of early progress. Nor is there very much hope for the immediate future; a fact that will be realised from the recommendation of the Inchcape Committee's Report that the Post of Chief Inspector of Aircraft to the Government of India should be abolished.

In connection with the future of aviation, we may notice the important work of the Indian Meteorological Department, which by the determination of upper air movements, is steadily preparing for the day when precise information on this matter will be necessary to safeguard aircraft and to minimise the cost of flying. A feature of immediate public service has been evolved as a result of requests in 1920 and 1921 by the military authorities for balloon parties to attend artillery camps at which gun calibration and practice were to be undertaken. During the year 1922 there have been demands for eight or nine of these parties, and reports of their work show that the information derived therefrom is now considered indispensable. Among other important functions of the Meteorological Department may be mentioned the signalling of storm warnings. During the year under review 10 storms formed in the Bay, and for nine of these the warnings were correct. In the case of the tenth, the intensity of the storm was somewhat underestimated. Like other branches of Government activity, the Meteorological Department has been seriously hampered during the year under review by shortage both of finance and of gazetted staff.

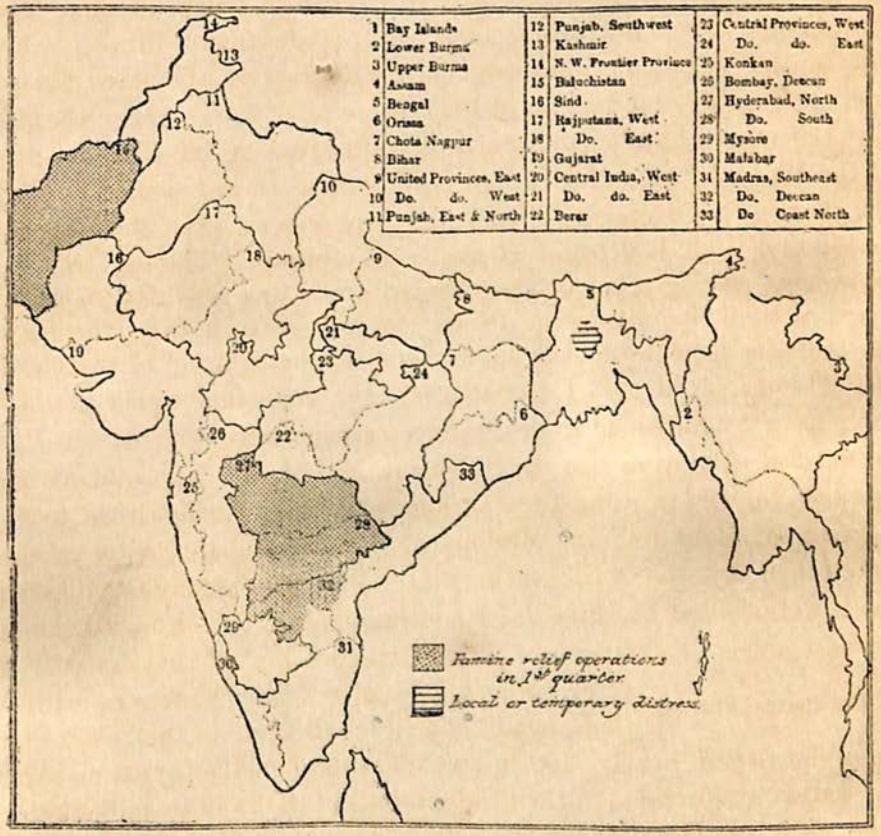
CHAPTER IV.

Problems of Progress.

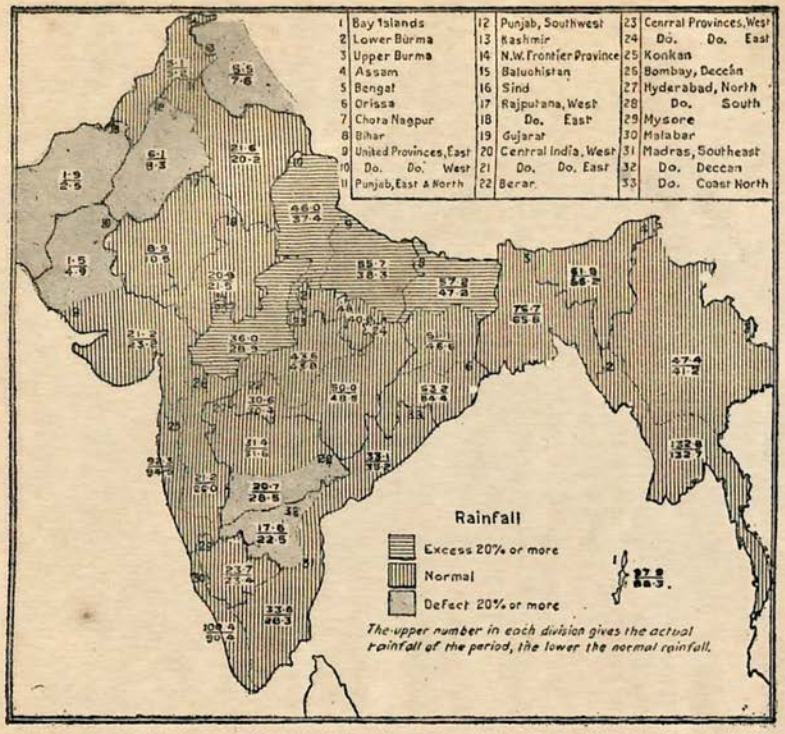
The year 1922.

Mention was made in last year's Statement of the hardships undergone by the agricultural population of India in 1920-21. At the close of the year 1921, relief operations were in progress in the Deccan districts of the Madras Presidency, in Baluchistan, and in Hyderabad State. Fortunately the excellent monsoon of 1921 greatly alleviated the situation ; and in the first quarter of 1922, these relief works were closed down. But the want of sufficient rain in certain areas of the Kurnool district of the Madras Presidency caused relief works to be opened later on in the year. They were closed down in September ; when the satisfactory monsoon of 1922 had begun to exert its influence. The highest number of persons on the relief in the affected areas was only 10,575 as compared with 0·45 millions in 1921. As will be seen from the map on the opposite page, both the quantity and the distribution of the monsoon of 1922 were excellent. Unfortunately, the rejoicings which would normally have accompanied so prosperous a season were marred in Bengal by natural calamities in the Burdwan and in the Rajshahi divisions. Towards the end of June 1922 exceptionally heavy rainfall led to floods in parts of Bankura and Midnapur. Relief measures were promptly undertaken by the local authorities. But in September, disastrous floods were caused by three days' continuous rain, which raised the level of the Ganges at Goalando four to five feet higher than usual. The area affected involved 1,200 square miles in the Rajshahi district ; an area in the west of the Bogra district of nearly 400 square miles, and smaller areas elsewhere. The waterway provided in the local sections of the railway embankments, although quite adequate for ordinary years, proved entirely insufficient for these abnormal conditions. The railway line was breached in several places and great damage was done to crops, houses and cattle. Some 14,000 head of cattle perished and many thousands of houses were demolished. For a calamity so widespread the deathroll was small ; only 33 lives were lost in the Rajshahi district and 22 in the Bankura district. Prompt and gratuitous relief to meet distress was at once given by the district authorities and all necessary arrangements for carrying

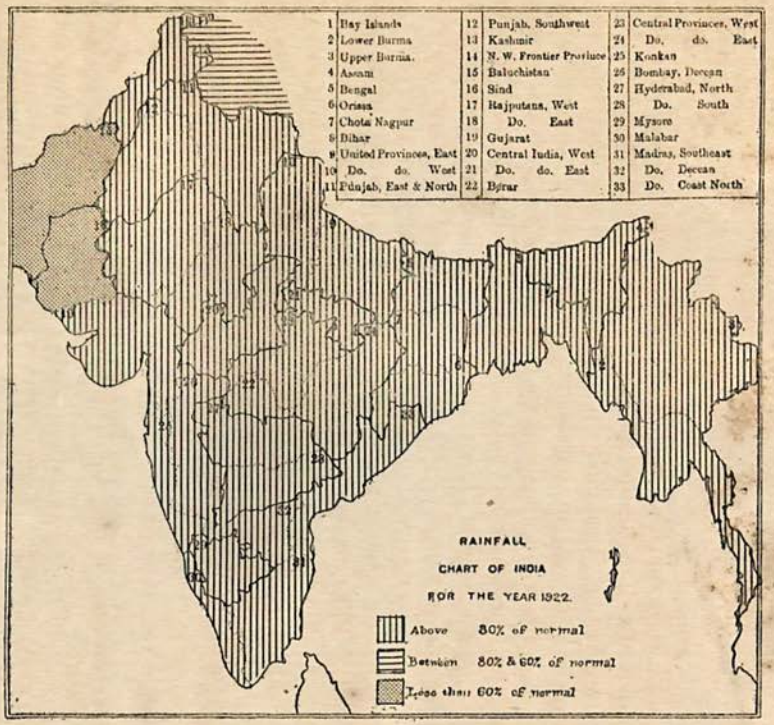
The Bengal Floods.


1 Bay Islands
2 Lower Burma
3 Upper Burma
4 Assam
5 Bengal
6 Orissa
7 Chota Nagpur
8 Bihar
9 United Provinces, East
10 Do. do. West
11 Punjab, East & North
12 Punjab, Southwest
13 Kashmir
14 N. W. Frontier Province
15 Baluchistan
16 Sind
17 Rajputana, West
18 Do. East
19 Gujarat
20 Central India, West
21 Do. do. East
22 Berar
23 Central Provinces, West
24 Do. do. East
25 Konkan
26 Bombay, Deccan
27 Hyderabad, North
28 Do. South
29 Mysore
30 Malabar
31 Madras, Southeast
32 Do. Deccan
33 Do Coast North
Famine relief operations in 1st quarter
Local or temporary distress

RAINFALL FOR THE PERIOD, JUNE TO NOVEMBER, 1922.



RAINFALL CHART OF INDIA, 1922.



on the work were quickly made. Agricultural loans of seed and money were widely distributed; special attention was given to medical relief and the prevention of epidemics; and in addition the door was opened to private charity to join hands with Government in measures for the general rehabilitation of the destitute. Splendid work was done by many non-official agencies, in particular the Bengal Relief Committee, which displayed great energy in pressing upon the attention of Government the magnitude and seriousness of the calamity. Loud complaints appeared in the public press regarding the alleged negligence of the railway to provide adequate drainage openings. An official investigation undertaken by Rai Bahadur Ralla Ram, Chief Engineer of the Patiala State, showed that in the opinion of the experts the drainage openings available in the embankments were normally adequate, according to the best information available during the past, and that no blame attached to those entrusted with the construction of the line if in the extraordinary circumstances of the year the waterways proved insufficient.

Foodstuffs situation in 1921-22.

It will be remembered that in last year's Statement mention was made of the serious problem presented by the food supply during the year 1921. The premature cessation of the 1920 monsoon had caused a widespread failure of the autumn harvest in northern, western and central India, with the consequence that autumn sowings and spring crops had been greatly restricted. In all India the wheat deficit was about 25 per cent. and in the Punjab the crop was 40 per cent. below the normal.

Wheat.

Towards the end of August 1921, there came a sudden rise of prices. Wheat leaped up to Rs. 9 and even to Rs. 10 per maund of 82 lbs, a price undreamt of at any time in the past. In order to increase public confidence, and to destroy belief in the rumours that Government were exporting large quantities of wheat to Europe, it was announced that no further exports of wheat and flour from India would be allowed at least until the end of March 1922. In point of fact, owing to the prices ruling in Europe and India at the time, the export of wheat from India to Europe was a sheer economic impossibility; but the wild rumours continued until the publication of the announcement already mentioned. To prevent any depletion of stocks or enhancement of price owing to military requirements, the import of foreign wheat was encouraged, and the actual amount arriving in India up to the 31st December 1921 was 0·23 million tons. During the year 1922, however, the position changed; and, as is explained elsewhere, it was found possible in September to remove all restrictions

upon the export of this commodity. In regard to rice also special measures had been taken during 1921, to conserve stocks for Indian consumption. Fortunately during 1922, the position greatly eased, and all restrictions on the export of rice were completely removed on March 15th of that year. Then followed a small but immediate rise in the price of rice; but it was soon discovered that the demand for Burma rice was in no way above the normal, and the demand for Indian rice far below it. The consequence is that by the end of the year 1922, the price of rice in India was lower in many parts of the country than at the time when the restrictions were removed in March.

Rice.

There exists in certain quarters in India a popular belief that the export of food-grains from the country is among the causes of high prices in an unfavourable year. Analysis shows that this conclusion rests on insufficient grounds. The average net export of grain and pulse from India in the ten years ending 1918—that is before the introduction of the system of control—averaged less than 1·5 million tons per annum, as against a total production of food-grains estimated at somewhere near 80 million tons. This small exportable surplus, which has of late been kept in the country by the restriction of export, has undoubtedly assisted India to pull through the crises caused by the monsoon failures of 1918-19 and 1920-21. Government have always held a permanent policy of restriction as entirely wrong in principle. To forbid export is to deprive the cultivator of a large portion of his market, with the inevitable result that he must cease in time to grow such commodities as he is not allowed to sell. The indefinite continuance of restriction upon the export of food-grains would naturally lead him to turn his attention to cotton and to oil seeds; thus reducing the food supplies of the country and destroying a margin against famine. The demand which is put forward in certain sections of the Indian press for complete and permanent restriction on the export of food-grains is thus wholly wrong. Incidentally, it is an urban as against a rural demand, and seems to arise from some obscure belief that it is the duty under all circumstances of the country districts to provide cheap food for the towns. During the year under review, thanks to excellent harvests and a general lowering in prices, the cultivating and land-holding interests were able to make their voice heard as against the towns, which, provided the prices of food-grains remained low, had no longer any interest in the question of free exports. A motion

Export and Scarcity.

Town *versus* country.

was introduced into the Legislative Assembly in September 1922 asking Government to remove all restrictions imposed on the export of wheat and certain other commodities. In this debate the rural interests took a predominant part, effectively voicing the hardship which long-continued prohibition of export necessarily inflicted upon the cultivator of provinces like the Punjab, which are growing more and more wheat for commerce as opposed to consumption. Government pointed out that the relative prices in India and in England did not allow Indian wheat to be exported to England at a profit; so that it would make no practical difference to the export trade if the prohibition remained or was removed. Stress was, however, laid upon the view of Government mentioned above as to the undesirable effect of long continued restriction; and it was promised that provided the September rains, upon which the crop so largely depends, were favourable, the prohibition would shortly be withdrawn. This was subsequently done; with the result that a slight sentimental rise in prices took place which before long again gave way to the general falling tendencies of the year.

Cost of living in 1922.

Generally speaking, the tendency of the year 1922 has been in the direction of reduction of the cost of living. During the whole year the trend has been notably downwards throughout India. The figures published by the Bombay Labour Office show that the average index for the 12 months of the calendar year 1922 was 164, as compared with the standard of 100 in July 1914. This figure 164 may be fruitfully compared with the index number 173 for 1921, and 183 for 1920. The price of cereals fell continually throughout the year under review, and by the end of the period it was less by 24 points than at the beginning. Pulses, which constitute an important article of food for the poorer classes of India, have fallen by no less than 53 points since January 1922. Taking once again the figure of 100 in July 1914 as the standard, the index number for the retail price of food fell from 176 in December 1921 to 157 in December 1922. And while the cost of living thus showed a marked fall, there was no corresponding decline in the average of wages. There is indeed evidence to show that both in certain industries and in certain parts of the country, a substantial margin now exists between the real or effective wages and the present cost of living. Careful investigations undertaken by the Bombay Labour Office into the wages and cost of living of the cotton industry throughout the Bombay Presidency show that in May 1921, the wages of men-operatives in Bombay had increased by 90 per cent. while the cost of living had increased only by 67 per cent. over the

1914 standard. The real or effective wages of the men-operatives of Bombay in the cotton industry were 14 per cent. higher than in the pre-war period. Throughout the Presidency as a whole, the effective wages, after discounting the increased cost of living, worked out at 17 per cent. above the 1914 standard.

The condition of the masses.

The problem most frequently propounded both by the Indian press and by foreign travellers to those responsible for the administration of India, is whether the Indian masses are becoming poorer or richer under British rule. It is plain to the observer that there is considerable indirect evidence as to a growing prosperity rather than to an increasing poverty. The multiplication of third class passengers on the railways during the last decade would seem to indicate that more money is available after the bare necessaries of life have been met than was previously the case. The recently increased absorption of rupees, which two years ago threatened the whole currency system of India with inconvertibility, combined with the growing employment of silver for the purpose of adornment by classes of the population previously, and within living memory, accustomed to brass, would seem to point in the same direction. Indeed since the War, the unexpected and unprecedented wealth of the cultivator in certain parts of India has stimulated his tendency to hoard either bullion or ornaments. Of the £45 millions of gold exported from the United Kingdom in 1922, India took the second largest share, importing nearly £14 millions as against £26 millions sent to the United States on account of war payments.

Indirect evidence of growing prosperity.

The steady substitution of a monetary for a natural system of economy, with its complement of preference for imported cloth, for imported metal and for imported domestic utensils, seems to show that the contention sometimes put forward that the masses display no symptom of increasing prosperity is based rather upon personal prejudice than upon actual observation. Perhaps even more important as contributory evidence to growing comfort is the manner in which the agricultural population of India survived the scarcity and famine of 1920-21. It must be remembered that while in the old days a famine meant absolute shortage of food, due to some natural catastrophe, the same word nowadays connotes merely the inability of a section of population to purchase food which is for sale. Now during the year 1921 the proportion of the total population in the area affected by monsoon failure which was in receipt of relief was considerably less than three per cent. Few

things have been more striking during this period than the fact that even the depressed classes of the population, who within living memory were accustomed in times of shortage to subsist upon seeds and roots, were able to purchase corn when the price was four seers to the rupee.

Direct evidence of growing prosperity.

There is a certain amount of direct evidence available which points to an improvement in the economic position of the Indian peasant. Without an elaborate and costly survey, such as can with difficulty be organised for some time to come, the average income for all-India can hardly be determined with any exactness. But certain provincial Governments are directing their attention to the collection of statistics, the publication of index numbers and the investigation of family budgets. The work is still almost in its infancy ; but its importance is being recognised by the general public, and there is reason to hope that before long it may be taken up upon a larger scale. In Madras for example, the Statistical Branch of the Department of Agriculture has published an extremely careful estimate of the income which is earned by agriculturists in the form of agricultural products throughout the Presidency.

Madras.

It has been calculated that the total agricultural and non-agricultural income is somewhere near Rs. 434 crores. The population of Madras being 42·3 millions by the census of 1921, the average income per head works out at a little over Rs. 100. The publication of this figure has caused a certain amount of surprise in view of the oft repeated statement that " the average income for all-India is only Rs. 30 per annum." But this lower estimate was made at the close of the last century ; and even then was reckoned as a minimum and not as a maximum computation of the average income. During the year under review support has been lent to the Madras figure by the investigations pursued in Bombay. In connection with the census, information has been collected regarding the estimated income and expenditure of families in the Presidency outside Bombay city. The net per capita annual income, which is arrived at by dividing the gross income of the family (minus agricultural and business expenditure) by the total number of persons in the family, works out at about Rs. 100 for urban localities, and for rural localities at about Rs. 75. In Bombay city itself, it has been estimated as the result of investigations of nearly 2,500 family budgets, that the monthly income of an average working class family consisting of 1·1 man, 1·1 woman and 2·0 children works out at Rs. 52-4-6 per month

Bombay.

or 17 shillings and 5*d.* per week. The percentage expenditure on main heads showed that of the total income, 56·8 per cent. was spent on food, 7·4 per cent. on fuel and lights, 9·6 per cent. on clothing, 7·7 on house rent, and 18·5 per cent. on miscellaneous. With the fall in food prices which has taken place during the period, there can be little doubt that the position of the masses in India is now more prosperous than it has been for some years. At the same time, the Bombay census estimate seems to show that the poorest classes of the population are still compelled to spend 68 per cent. of their income on food and 15 per cent. on clothing. Another 11 per cent. goes on other compulsory expenditure leaving only 6 per cent. for voluntary expenditure, including amusements, luxuries, education and the like. In certain particular parts of the Bombay Presidency, such as the Deccan, the income falls very far below the general level. Where rainfall is precarious and uncertain, and the soil shallow and poor, the income from all sources per head in a typical village has been calculated at Rs. 33·12 per annum ; as against a minimum of expenditure necessary for real needs in respect of food and clothing at Rs. 44 per annum. Any symptom of increasing prosperity such as we have already noticed must not disguise from the observer the fact that a considerable proportion of the masses of the Indian population is still beset with poverty of a kind which finds no parallel in the more exigent because less tropical climate of Europe.

Indian poverty : some causes.*

The theory that the Indian masses are ground down by the exactions of an extravagant Government, though a favourite them of eloquence in the newspaper press, will not hold water for a single instant in the face of facts. Despite the high salaries paid to her officials, India probably possesses at this moment the cheapest administration of any civilized country. Non-official estimates, carefully compiled, put the average incidence of taxation, including industrial profits, at just over Rs. 6 per head per annum. The actual demand of the State upon the land works out in most places to about 5 per cent. of the gross produce, a figure which may be compared with the corresponding average of 17 per cent. in the case of Japan. Further, it may be noticed, that in a province like the Punjab, the land revenue amounts to only half of one per cent. of the land value. The undeniable poverty of India is not due to her administrative system, but to the fact that she is not at present organised for the production of wealth. On every side, tradition and

*For a further discussion of many topics dealt with in the next few pages, the reader is referred to H. Calvert ; *The wealth and welfare of the Punjab*, Lahore, 1923.

sentiment, rather than economic advantage, rule to-day as they have ruled for centuries; and exercise upon the Indian masses a cumulative pressure as universally crushing as it is commonly unrecognised. We are not concerned to consider whether this sentiment may or may not embody something nobler and more enduring than the commercial ideals of the West; whether the Indian outlook on life is higher, more spiritual, more closely in accord with eternal verities than the attitude of mind characterising the inhabitants of Europe and America. We are concerned here solely with its consequences upon the economic situation of the Indian people, with whom it rests in the future to determine whether they will or will not undergo the sacrifices which an highly organised industrial policy must necessarily exact from them. Thus analysing the problem, not from the ethical but from the economical aspect, it may be roundly stated that the principal factors which still bind India to poverty are extravagance, sentiment, and ignorance.

India not organized for wealth.

Perhaps the most striking characteristic of the Indian peasant, as compared with the peasant of Western countries, is the absence of that thrifty fragality which grudges no sacrifice so only that the land may be improved. Since this was as true yesterday as it is to-day, the Indian peasant inherits from his forebears little but land already impoverished, or at least unenriched, by the culture of generations. He has nothing of the immense wealth which in Europe has been handed down to the present-day agriculturalists in the form of improvements, reclamations, and working capital. This fact of itself, together with his own illiteracy and imperfect education, combine to keep his average production very low. And while the average production is low, average earnings must necessarily remain low too. Moreover, he lacks the incentives which in more temperate climates have forced frugality upon the agriculturist. Throughout much of India the thriftlessness of the Indian peasant is due to the benevolence of nature. Large tracts of India are so fertile that men need do little beyond scratching the soil and scattering a handful of seed. Hence millions of Indians prefer to maintain a low standard of living with small exertion rather than to strive after a higher standard at a greater cost. This fact also accounts for the general shortage of labour, despite the vastness of the population. For while in India labour has commonly to be paid highly to induce it to put forward the exertion consequent upon employment, its inefficiency makes outturn very low. To these general characteristics of the Indian peasantry

Thriftlessness.

we must add the fact that there are no prudential restraints upon an increase of the population which multiplies up to the very margin of bare subsistence until calamity intervenes. And while the number of mouths increases year by year, so that India is now supporting a population greater than any she has known before, the means for filling these mouths are prevented from proportionately expanding by the bonds of uneconomic tradition. Further, if we include the Hindu joint family system, which does not permit lazy and incompetent persons to be thrown on their own resources, we have already a not inadequate explanation of the poverty of India.

Nor, in recounting the causes of waste, can we leave out of reckoning the large expenditure at present incurred upon festivals, which eats up so much that might go to improve the land. The debt which has frequently been cited as a proof positive of the poverty of the Indian labourer is due in no small degree to purely unproductive expenditure. The analysis of working class budgets in Bombay shows that no less than 40 per cent. of the families are indebted to money-lenders, the borrowing being normally undertaken for marriages, for funerals or for festivals. Where the average family working class income is Rs. 52-4-6 per mensem, the average cost of a marriage is Rs. 214, of a funeral Rs. 35, and of a festival Rs. 18. In no less than 4 per cent. of these Bombay families the expenditure on marriages alone represented more than the total family income for the year. In 23 per cent. it amounted to more than one half of the total annual income and in 73 per cent. to a something under one half.

Prejudice and Ignorance.

But in addition to this general thriftlessness, which may possibly be ascribed in large degree to centuries of unsettled conditions, we have to reckon the habits and customs of the people themselves. The attitude of the Indian masses is still not towards material things. There is a tendency to rely upon some higher power rather than upon individual effort; and, as has been somewhat cynically said, people expect either the Government or God to make good all their own deficiencies. Throughout India at large, manual labour is still associated with loss of dignity. A religious mendicant excites far more respect than an efficient artisan; while whole castes avoid productive labour and are devoted to callings which add little or nothing to the wealth of the community. There is a marked tendency for consumers to increase at the expense of producers; and there is much uneconomical overlap in the organization of trade. No one can walk down an Indian

Consumers and Producers.

bazaar without noticing the multitude of tiny shops all selling similar things, of which 20 per cent. could probably discharge satisfactorily the proper economic functions of the whole number. In the Punjab, indeed the last census shows that there is one small shopkeeper for every 21 of the population—a figure ridiculously in excess of what the situation demands. And while India has shown little concentration upon the production of wealth in the past, and little desire for its systematic accumulation in the present, religious sentiment operates to prevent both the consumption and production of most valuable food. As a result of the almost universal veneration for the cow, horned cattle cannot be exploited for profit, while bones, hides, skins and other commodities of great value in the West, cannot be utilized to their fullest extent. Indeed it has been remarked by various observers that all who can afford it live in India on a somewhat wasteful scale. It is generally held that milk and clarified butter are among the bare necessaries of life; but it never strikes Indian opinion that few countries can afford to use butter in the wasteful manner common in India. For example, large quantities of cocoanut oil are annually exported from poor India to wealthy England, where they are manufactured into a butter substitute which India herself would not dream of employing. If only the standard diet of India could be dictated rather by economic considerations than by religious sentiment, the whole problem of Indian poverty might assume a less formidable aspect. For example, the introduction on a large scale of the potato would at once lead to an immense saving of economic resources. This however does not seem possible for many years to come, owing to the unquestioned dominance of tradition. It must further be remarked that there is at present in India a great waste of available resources due to the custom and prejudice which prevent the employment of female labour on anything like an adequate scale. No advanced industrial community could maintain its economic standard if fifty per cent. of its population remained unproductive; yet Indian opinion has scarcely begun to realise the obvious truth that the segregation of women and the prejudice against female labour constitute a serious hindrance to progress towards the condition of Europe. To all these causes there may be added in the case of the cultivator the ignorance which is only now beginning to break down before the devoted labours of scientific agriculturists. By far the larger proportion of Indian cultivators persisted in antique methods of extensive cultivation. The wasteful destruction of forests in past ages com-

Religious sentiment.

Uneconomic Diet.

pels them to use in the form of fuel most of their animal manure. Little goes back on the land and artificial manure is almost unknown. Despite the climatic conditions which compel the cultivator in many provinces to remain idle for more than one-third of the total working days of the year, subsidiary industries like sericulture, pig-keeping, fruit growing and poultry farming have not been taken up.

It will thus be realised that the problem of Indian poverty is a gigantic one, with its roots in certain long standing customs and deficiencies, which themselves make for distress as the population increases, while resources are confined within traditional limits by hide-bound precedent. As time goes on it may be hoped that increased development of these resources will gradually create a *per capita* figure of wealth sufficient for India's growing responsibilities as a nation. Meanwhile, all that the Administration can do is to labour for the spread of scientific agriculture, for the encouragement of thrift by co-operative machinery, and for the education of the masses out of a certain narrowness of outlook which at present constitutes the most serious obstacle to economic progress

Awakening of the Masses.

Fortunately there are symptoms of awakening among the masses themselves which may in the near future be expected to assist powerfully the factors making for economic regeneration. The recent fall in the price of food, combined with the sustained wages of the agricultural labourer, have during the last few months given him a position of greater independence then he has for some time enjoyed. In various parts of the country complaints have been received of the "exorbitant" terms which casual labour now demands in such emergencies as harvest time. Moreover, there has been a conspicuous tendency towards joint action for the purpose of raising wages and exacting favourable conditions from employers. This of itself is characteristic of an improved economic situation; since persons who are weak and resourceless have not as a rule the spirit to improve their condition by combination. We saw in last year's statement that in various parts of India during the year 1921 the movement for tenants' unions or Kisan Sabhas had become increasingly prominent. These unions confined themselves to collective bargaining with local land-holders and overlords, securing thereby improved conditions of tenure and labour for their members. As a result, there has been an increased appreciation on the part of rustic labour of its own position in the scheme of things. The State stepped in to assist in the process of uplift. Impressed labour is now forbidden

in most provinces by legislative enactment; and the reformed local Governments have devoted considerable attention to such matters as tenant right. Such measures as the Oudh Tenancy Act, while not achieving all that was hoped by those who favourad agrarian reform, have conferred substantial benefits upon the peasantry. Generally speaking, the attitude of the State towards the tenants' unions remained one of marked friendliness, until the activities of certain of these bodies were diverted into dangerous paths by the non-co-operation movement. At the beginning of 1922, the movement in the United Provinces known as Eka, a kind of " one big union " among the cultivators, spread very rapidly in certain districts. The more lawless elements of the population were encouraged to defy authority; and the leadership of the movement fell into the hands of some bad characters. But with the suppression of disorder and the removal of certain genuine grievances which the tenants entertained against the land-holders, the dangerous aspect of the movement declined. This was assisted by a general easing of the economic situation due to good harvests and the low price of food-stuffs; so that the tendency towards combination among the rural classes in India has assumed during the year 1922 a more peaceful and law-abiding character. Further, the decreased tension of the political atmosphere has operated to prevent the exploitation of working class grievances by carpet-bagging agitators. That a considerable increase in the class consciousness of rural labour has resulted from the course of the last three years is obvious; and it cannot be denied that ample cause for anxiety will exist if in the future high prices and specific grievances lead the Indian villager, susceptible as he is to misguidance, to indulge in the sudden outbursts of unreasoning violence of which he is capable.

The Town Dwellers.

Having thus indicated in brief the general conditions during the year 1922 of the Indian countryside in which dwell some 90 per cent. of the total population, it remains to turn to the town dwellers. In a time of rising prices, as we noticed last year, the urban classes suffer in comparison with those who dwell in the country. The monetary income of the average villager, small though it may be, does not represent his total budget. His dwelling costs him little, while his food is mainly produced by his own labour and that of his family. In the towns, on the other hand, the monetary income of the individual respresents by far the largest proportion of his assets; and when the interval between prices and wages is at all considerable, great economic suffering results. This is particularly notice-

able in the case of middle classes. For the four years prior to 1922, small shopkeepers, clerks and the lower grades of State and commercial employés have experienced the pinch of necessity. With their small fixed incomes, their large families and their increasing expenditure, they have found cause for deep and widespread discontent. In contrast with the rural population, which is not as a rule vocal, the urban population is ever ready to voice its grievances and to blame the Administration for what is often a necessary consequence of the traditional economic organization of the country. The preponderance of its influence over that of the rural interests is indicated by the pressure which has been brought to bear upon Government since 1918 in connection with the export of food. During the year under review, as we have already noticed, falling prices and cheap food have deprived the urban population of its painful anxiety for the conservation of the food supply, with the result that rural interests have again made themselves heard. The whole year, 1922, indeed, was marked by a considerable improvement in the economic position, of which fact proofs have already been given in the paragraphs dealing with prices and the cost of living. Wages have remained at the level necessitated by the higher prices of previous years, while the cost of living has substantially declined. In consequence, the middle classes of the town population, have found themselves in somewhat easier circumstances; a fact which accounts in no small degree for the decline in political agitation so notable during the later months of 1922. A similar improvement has been noticeable in the position of the town labourer. He has many advantages from which the middle class man is usually debarred by obligations of social status. The market in which he competes is normally large; and he can form himself into combines for extorting better terms from his employers. He can change as opportunity offers from one kind of labour to another if he be unskilled, and even if he be skilled, he has probably several strings to his bow. Though at present insufficiently organised, he is gradually acquiring a power, unknown to the middle-class man, of bringing his grievances urgently before the notice of the public by strikes which interfere with public utilities.

The Middle Classes.

The Town Labourer.

It has frequently been pointed out that Indian labour possesses certain characteristics which serve to differentiate it from the labour of other countries. One notable feature of the industrial organization is that the workers in practically all industries are recruited from the

Characteristics of Industrial Labour.

ranks of agriculturists. Hence despite the smallness of his wages, the Indian factory hand is not really economical, since his output is small on account both of his inefficiency and of his migratory character. In most industries throughout India, no real industrial community has yet established itself. Coming from long distances as the workers frequently do, they are prone to throw up one job for another on slight provocation, and even to spend a substantial portion of the year cultivating land in their own village. The result is an appallingly large turnover in practically all mills and factories, accompanied with an economic loss almost beyond estimate. If this loss is to be avoided, and the efficiency of the workmen raised, he must be encouraged to aspire to a higher standard of living, which must wait upon higher wages, better housing, and improved conditions. So far as the first of these is concerned, there is reason to believe that the wages of the labouring classes have now overtaken and surpassed the prices hitherto responsible for so much hardship. The recent investigation of working class budgets in Bombay, to which reference has already been made, reveals, in addition to the striking growth in real wages, the fact that sums of money are regularly remitted from the town to the village from which the labour hails. This remittance forms 3·2 per cent. of the income of the average family, and no less than 26·2 per cent. of the income of the single man.

Welfare Work.

Continuous efforts are being made both by private enterprise and by the State to improve the housing and general conditions of labour. In great cities such as Bombay and Calcutta, the Improvement Trusts are devoting very large funds to this object; and employers are displaying a greater and greater tendency to undertake housing schemes for their labour. Progress is necessarily slow, because accompanied by very heavy expenditure due to the necessity of laying out more land. In certain places attempts are being made to overcome this difficulty by buying land at some distance from the factory and connecting it up by suitable transit arrangements for the benefit of the workers. As symptomatic of the widespread interest now being aroused in the welfare of industrial labour, it may be mentioned that in April 1922 an All-India Industrial Welfare Conference, organised by Servants of India Society, was held in Bombay. Employers from different parts of India sent their welfare workers, while the Government of India and several local Governments were also represented. Many important subjects, such as housing, food-supply, indebtedness, medical aid, educational facilities and the like, were discussed, and resolutions embodying the opinion of the Conference were passed.

One practical outcome was the formation of a committee to give effect to the resolutions and to arrange for a repetition of the Conference in the future. This committee, it may be noticed, sent a representative to the International Welfare Conference held in France during the same year. Quite as important as the steps which have been taken during the year under review to improve the well-being of Indian labour outside the factories, are the measures taken by the State to ensure that this well-being is properly safeguarded during the hours of employment.

State Investigation.

Reference was made last year to the draft Convention adopted by the International Labour Conference concerning the employment of women before and after childbirth; and to the detailed enquiries into the matter that had been instituted by the local Governments of Bombay, Bengal and the Punjab. These special investigations have now been completed. The Report of Bombay aroused much interest, being placed before the Legislative Council and attaining wide publicity in the press. The Bengal report deals with the employment of women in jute and cotton mills, in the tea gardens and in the coalfields. A similar enquiry is soon to be started in Bihar and Orissa, which will embrace important coalfields situated in that province and will include subsidiary information as to the effect of underground work on the health of the women employed in the mines. Such enquiries as these will undoubtedly in the long run prove of great utility. In the course of investigation, questions relating to the possibility of granting benefits to women and to providing medical aid, have been discussed very fully with large employers of labour. The special needs of women workers have thus been brought prominently to the fore and interest in their well-being has been aroused. Even before the State came into the field voluntary agencies, as a typical example of which may be mentioned the Poona Seva Society, had been carrying on for some years admirable work among women and children employed in industrial enterprises in Bombay. Among other subjects of enquiry undertaken during the year by Government may be mentioned the question of ventilation and humidification. The absence of definite standards has up to the present stood in the way of securing hygienic conditions in textile factories. It is hoped that as a result of the information now collected, it will be possible to secure an improvement in the conditions amidst which parties in textile factories pursue their employment.

Legislation.

Certain pieces of positive legislation of great value from the point of view of labour generally, have been undertaken during the period we are

considering. We noticed last year that the passing of a Bill to amend the Indian Factories Act constituted a long step towards the amelioration of the conditions of Indian labour. The new provisions came into force from 1st July, 1922; and included the introduction of a sixty hours week, the complete prohibition of night work for women; the raising of the minimum and maximum ages of children from nine to twelve and fourteen and fifteen, respectively. A large number of other important reforms were also embodied in the Act. It was found necessary during 1922 to introduce a Bill to remove a difficulty in connection with the weekly holiday. As the provision now stands, persons employed on a Sunday must receive a holiday on one of the three days preceding or following that Sunday. A Bill was introduced in the Legislative Assembly to amend the Indian Mines Act of 1901. It was referred to a Joint Select Committee consisting of 18 members from both Houses of the legislature; whose report was published on the 13th January 1923. The more important amendments introduced by this measure define the respective functions of the central and local Governments; modify the definition of a mine so as to include exploitation of minerals regardless of depth; raise the age of children employed from 12 to 13 years; prohibit the employment of young persons and children below ground; restrict the term of labour to 60 hours per week for above ground and 54 for below ground workers; and prescribe a weekly day of rest. Penalties are also increased for disobedience of orders resulting in death or serious injury to the workmen. But perhaps the most striking piece of labour legislation introduced during 1922 was a Bill for the provision of Workmen's Compensation. The subject was first mooted by the Government of India in 1920; and the intervening two years had been used to ascertain the views of local Governments, employers and workers throughout India and to prepare concrete proposals. The measure is without precedent in Indian conditions, and for this reason if for no other, is cautious in its scope. It applies to some three million workers in factories and mines, on railways and in the building trades and other occupations; it is confined to those classes of labour who are employed in better organised industries and who run more than the ordinary risks of life. Every effort is being made to avoid litigation and expense; and a simple and inexpensive procedure of special tribunals has been devised. The measure has been so framed that men without expert legal knowledge such as the employer and his

The Factories Act.

Mines Bill.

Workmen's Compensation.

workmen, can see for themselves whether any particular case of compensation is due, and if so what that compensation amounts to.. Although the measure follows in general principles the legislation in force elsewhere, it strikes a distinctive note, and is adapted to meet the peculiarities of industrial life in India. The Bill after being referred to a Select Committee on the 13th December, was passed by the Legislature in February 1923, and will come into force on July 1st, 1924.

Trades Unions.

In last year's report mention was made of the economic restlessness of the year 1921, which expressed itself most plainly in combined action on the part of workers. During that period, labour unions came prominently before the notice of the general public on account of the magnitude and frequency of the strikes which took place. There seems little doubt from the growth of the trades union system in India that the movement has come to stay. At the same time this development is largely conditioned by the peculiar characteristics of Indian labour. The Indian workman, although in many respects alert and shrewd, is on the whole illiterate ; and he has few leaders from his own class to whom he can turn for guidance. As a consequence, trades unionism in India has been largely led by men from the middle classes, professional lawyers and others, who have not in all cases distinguished between economic and political considerations. Moreover, with the exception of the unions which have been built up in the larger towns, on the railways, and in some public utility services, the majority of trades unions originated in strike committees. Very often, as soon as a strike is settled, the union disappears, since it has no regular constitution or definite subscription, no system of auditing or publication of accounts, and no funds for providing help to widows and children in times of distress.

In 1920 a decision of the Madras High Court showed that it was possible to obtain an injunction restricting a trades union official or organiser from influencing labourers to break their contract with their employers by striking to obtain an increase of wages. The precipitation of an issue so grave before the main lines of union development had had time to settle themselves is certainly regrettable ; but Government have undertaken to prepare a Bill on the question. In the meantime, the passing of the Workmen's Compensation Act should open up a useful sphere of activity to trade unions, and thus encourage the growth of healthy combinations. Somewhat inchoate combinations of the kind common in India are of course most effective when the men have definite

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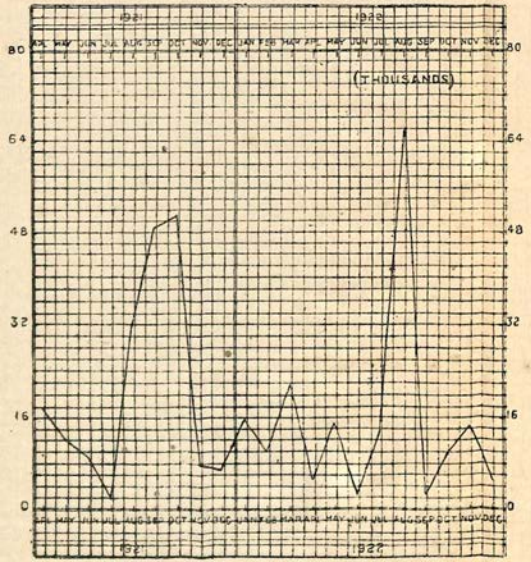
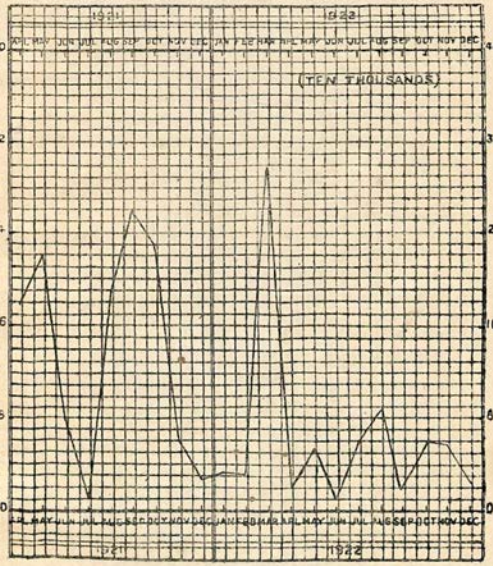
STRIKES IN THE BOMBAY PRESIDENCY 1921 – 1922.

NUMBER OF WORKPEOPLE INVOLVED



NOTE:- EACH SQUARE ABOVE = 2,000

NUMBER OF WORKING DAYS LOST



NOTE:-(1) THE SMALL NUMBER OF WORKING DAYS LOST IN JULY 1921 AND JUNE 1922 IS OWING TO THE SHORT DURATION OF STRIKES.

(2) EACH SQUARE ABOVE = 10,000

and real grievances; particularly when there is a marked gap between nominal wages and the cost of living. But even during 1921 the features of economic hardship which had operated to produce successful strikes began to pass away: and throughout the year 1922, the steady increase in the proportion of unsuccessful strikes, continued. In the latter months, indeed, successful strikes were very rare. While prices fell in, the sympathy with the world tendency, India unlike other countries experienced no corresponding fall of wages. Where they did not rise they remained stationary. The result was to bring the workers a certain measure of contentment which has been notably absent for some years. The number of strikes during 1922 was fewer than those in the previous year by more than 100; their actual number being about 280. The most serious strike was that on the East Indian Railway, which occurred in the first quarter of the year. It ended early in January 1922, but was followed by another on a much bigger scale which commenced in the United Provinces in the beginning of February, spreading rapidly to Bengal, Bihar and Orissa, and the Punjab. This strike did not end until the second week of April and involved more than 21,000 men. Later in the year a strike of the Tata Iron and Steel Company's workers at Jamshedpur lasted over a month and involved about 23,000 workmen. But while the number and seriousness of Indian strikes fell off considerably during 1922, the loss and dislocation caused by them was still serious. The question of Conciliation Boards and Courts of Inquiry has accordingly received attention from several administrations. The Government of Madras took the lead in setting up Courts of Inquiry to deal with individual disputes. The Government of Bengal appointed a strong Committee to deal with the whole question, and as a result of their deliberations, it was decided to provide a panel of persons qualified to deal with the disputes arising in public utility services. In Bombay during the period under review a committee explored the causes of industrial unrest and suggested the erection of a standing machinery for settlement. Among employers also, efforts have been made obviate possible causes of labour unrest by the institution of work committees or shop-committees on the lines recommended by the Whitley Committee in England. Similar committees have also been established in certain industrial organizations controlled by the State. With the general easing of the economic situation there has been noticeable in some quarters a tendency on the part of the labour unions to co-operate with the employers in the pursuit of such common interests as better

Strikes.

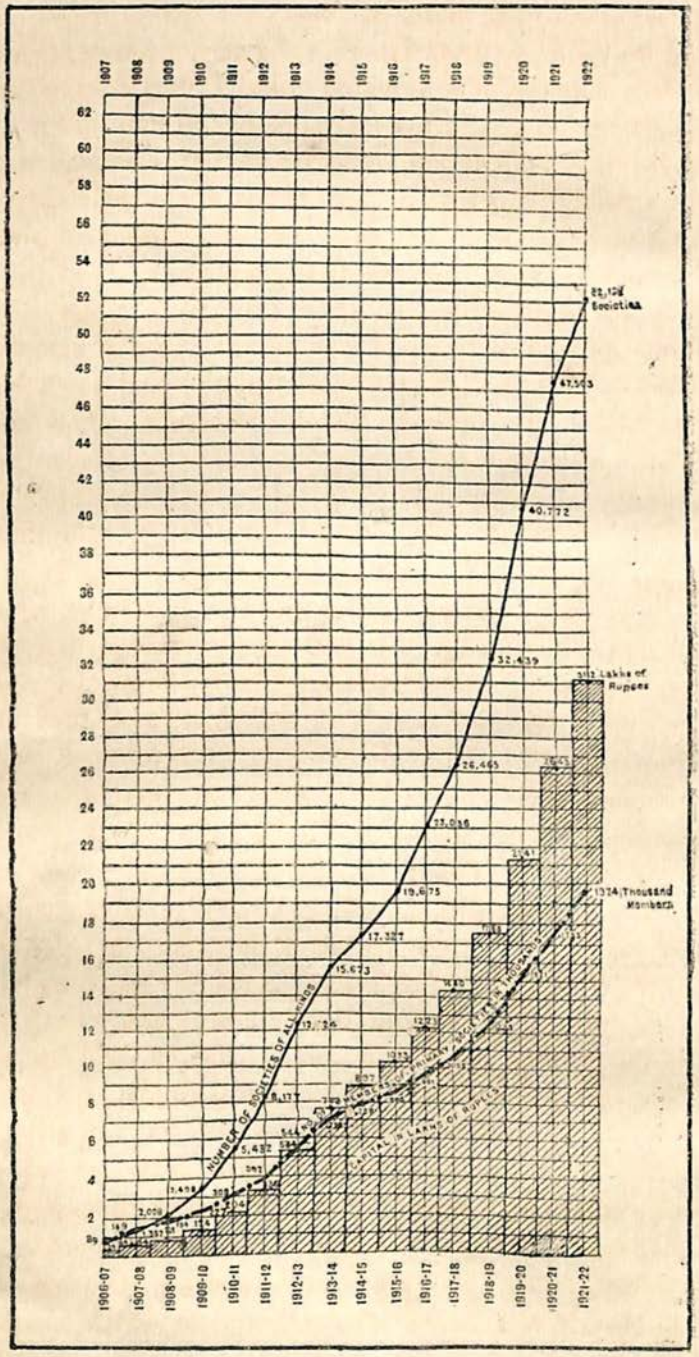
housing, cheap food, reduction of indebtedness, medical relief, education, and the eradication of the drink evil.

International Labour.

Under modern conditions, labour can no longer be considered a purely domestic problem, and as a member of the League of Nations, India has recently been called upon to consider and take action upon various draft conventions and recommendations. Measures to embody certain of these in the law of the land have been placed before the central legislature during the year under review. The principle of the draft convention relating to the weekly rest day has been embodied in the new Factories Act: and similar provisions find a place in the Mines Bill. The convention designed to safeguard young persons employed at sea was also approved of by the legislature. In this connection we may notice that considerable interest has been aroused in the International Labour Office during the year 1922 by a change which has come over India's position therein. Under the Treaty of Versailles each of the eight States of chief industrial importance is entitled to nominate a member to the Government group of the governing body of the International Labour Office. When the first governing body was appointed in 1919 India, despite her claims, failed to secure a place among the eight States of chief industrial importance. Since then her title to be included among them has been consistently pressed, and it was finally examined by the Council of the League of Nations in August 1922. The case for India was ably advocated by Lord Chelmsford, and as a result of the discussion, India has now been recognised among the eight chief States. When the fourth International Labour Conference was held at Geneva in October 1922, the most important subject from the Indian point of view was the consideration of the proposed amendment of the Treaty of Versailles, which would have deprived her of the privileged position which she had just secured on the governing body. This was strenuously opposed by the Indian delegates, who received the support of Great Britain and the Dominions. The proposal was heavily defeated, and India's rights were conserved. The result is of great importance. In the first place it enhances her prestige, and impresses upon foreign countries the industrial advance which she has made of late. Of even great moment is the fact that India will now have a voice in the control of the general policy of the International Labour Organization, and will thus be in a better position to secure that the proposals made will

India's Place.

Progress of Co-operative Movement in India, 1907—22.



Note.—Capital is increasing faster than membership, being now nearly Rs. 158 per member, and the average membership per society is now about 38. The capital is over Rs. 5,064 per society.

not be detrimental to the interests of Indian industry and all those engaged in it within her borders.

From the brief survey undertaken in the earlier pages of this chapter, it must be plain that the most pressing need of India to-day is a systematic movement for economic uplift among the masses, both urban and rural. And in this connection every impartial observer must admit first that the stimulus to such an uplift is not likely to arise from among the people themselves, and secondly, that such impetus towards self-improvement as can result from the unsupported efforts of the Administration cannot of itself do much good. What is really necessary is to enlist upon the side of progress not merely the continuous and well directed efforts of the authorities, but also the instinct towards self-improvement, which, at present largely dormant, must be aroused in many directions before it can become an effective factor in the advance of India towards nationhood. Probably the most powerful single agency for improving the condition of Indian labour, both rural and urban, is found in the co-operative movement. A study of the diagram on the opposite page will reveal the very remarkable progress which has been achieved of late years in this development. Agricultural non-credit societies are particularly flourishing; and they deal with such useful matters as the joint sale of agricultural produce, the production and sale of implements and manures, the furtherance of irrigation projects and the consolidation of holdings. Their work spreads to many channels which bring practical benefits not only to their members but also to the surrounding locality. They open dispensaries and schools; they assist the Agricultural Department in the spread of improved methods of cultivation; they maintain communication and build new roads. One of the most satisfactory features of the whole movement is the steady growth of public confidence in its potentialities. This was particularly noticeable during the year 1921. As we noticed in last year's report the whole political atmosphere of India was at that period antagonistic to the purpose and ideals underlying co-operation. Contempt for authority, disregard for law, the encouragement of the idea that material prosperity is useless and progress a delusion, combined to produce in certain quarters a state of mind to which the movement made no appeal. But despite these unfavourable conditions, co-operation continued to make satisfactory progress, both during 1921 and during 1922. We may notice that its control has, as a result of

The Co-operative Movement.

Recent Obstacles.

the Reforms, been transferred to the Ministerial section of the Provincial Administrations; and Indian hands now command alike its widespread organization and its enormous potentialities for national uplift. That the co-operative movement is only at the beginning of its career is clear from the fact that at the end of the year 1921-22 there were still only 52,182 societies of all kinds throughout the country. This gave for British India an average of just over 19 societies for every 100,000 inhabitants, and for the four Indian States, Mysore, Baroda, Hyderabad and Bhopal, where the co-operative system has taken root, an average of just over 20 societies per 100,000 of the population. The total all-India membership in 1921-22 amounted to 1·9 million members, and the capital to Rs. 1,787 lakhs; while the profits accruing from the operations of these societies totalled just over Rs. 61 lakhs.

Present State of the Movement.

A brief survey of what is being done in the various provinces to foster the progress of this admirable movement will reveal clearly the not inconsiderable and steadily increasing part which it is playing in the urban and rural economy of India. In Bombay, a province where co-operation has of late years flourished exceedingly, the total number of societies rose from 2,956 in 1921 to 3,411 in 1,922; with a corresponding increase from 271,958 to 327,831 in the number of members and from Rs. 3·34 crores to Rs. 4·35 crores in the working capital. As to the practical benefit accompanying this increase numerous examples may be adduced. For example, in the small village of Mahaswa in Khandesh, the head of almost every family in the village is a member of the Society. The old debts of members have been paid off; not a single member borrows from money-lenders. Two per cent. of the value of the price of produce in regularly placed as a premium deposit in the Society, and the total deposits of this small village already exceed Rs. 18,000. For more than 10 years not a single civil or criminal case has gone to the Courts from Mahaswa, the disputes arising being settled by the help of the Society within the village itself. The mere fact of the Society's existence has, moreover, forced the money-lenders of the neighbourhood to lower their rates of interest to all. Non-credit agricultural societies have also shown a gratifying increase during the year under review. The best developed type throughout Bombay are the cotton sales societies, whose number has now increased to 13. There are also societies for the sale of grain; for the working of co-operative gins; for cattle

Bombay.

insurance; and for the supply of manure and agricultural implements. A striking feature of the year 1921-22 has been the extension of the business of the district banks. Including the Provincial Bank, the working capital increased by no less than 41 per cent.— that is from Rs. 89 lakhs to Rs. 126 lakhs — during this period. The introduction of the cheque and discount business, which was mentioned last year, continued to flourish. The aim recently set before the movement has been to provide those banking facilities which are necessary to every civilised country and which so far hardly exist in India outside of the Presidency towns. If the co-operative movement is able to erect, in every considerable town and in every district, banks which will help the artisan, the small professional man and the small trader, and which will at the same time, by popularizing credit and the instruments of credit, abolish the present difficulties of conveying money from place to place, an enormous boon will have been conferred on the country. The central co-operative Bank in Bombay takes a large share in the direction of this movement. A training class is held for Bank Managers and the candidates, in addition to receiving instruction at the head office, are taken round on tour to branches, to district banks and to unions. What has been accomplished in a short time is an indication, plain for all to see, that an immense future lies before this side of the co-operative movement. In Bombay, there has also been another interesting development during the year under review, in the direction of industrial production. Copper-smiths, salt owners, cobblers, and foundry workers are in some parts setting up business of their own account. Workshops, self-managed and manned by the artisans themselves, who perceive the results of their own energies and acquire from their labour the full surplus value, necessarily give an incentive to real craftsmanship and an interest to toil which cannot but result in a happier state of mind and in a saner morality. Overlooking all the branches of co-operative enterprise throughout the Bombay Presidency is the Central Co-operative Institute. Four branches of this now exist, for Bombay city, for the Deccan, for the Carnatic, and for Gujarat. Training classes are held for college students and for the public, for honorary organisers and for Bank managers, for secretaries and for other workers paid and unpaid in the field of co-operation. The institute itself entirely managed the Bombay Co-operative Conference, during the year under review, and good progress was made in the publication of vernacular literature; and in the preparation of magic lantern slides dealing with co-operation.

Co-operative Banking.

Madras.

In Madras, the remarkable growth of co-operation which we have noticed in previous Statements was well maintained during the year. Between the 1st of July 1921 and the 30th June 1922, the number of societies rose from 6,289 to 7,389, with a total membership, inclusive of the membership of supervising unions, of just under half a million. As a result of the abnormal increase of the previous two years, it has been found necessary to divert a large portion of the energies of the staff to consultative work, to the stimulation of dormant societies and to the weeding out of societies which it has been found impossible to revive or to run on true co-operative lines. Systematic attempts have been made to educate supervising unions in their duties and responsibilities, so as to fit them to take an increasing share in the organization and direction of primary societies. The demand for the organization of societies for the benefit of the depressed classes — of which more later — continued and was met wherever possible. Three principally encouraging symptoms have been noticeable during the year 1922 — the improvement in the collection of outstandings; the large amount of capital — almost Rs. 300 lakhs — employed in the movement, apart from the investments by one co-operative Bank in another; and the confidence displayed by the outside public in its stability, as evidenced by the fact that the major portion of the capital is derived from deposits by individuals who are non-members. In the United Provinces, the net increase in the course of the year ending 30th June 1922 amounted to 645 in the number of societies, 18,208 in total membership and Rs. 14·7 lakhs in working capital. This is particularly gratifying since, as was mentioned in last year's Statement, the remarkable expansion of co-operation throughout this area has necessitated a policy of special caution and watchfulness which places consolidation before mere development, and only allows banks whose position is beyond question satisfactory to organise new societies. The bulk of the increase in the number of societies was as usual in the agricultural section. Some progress was achieved in the sphere of non-agricultural co-operation; and societies of this type increased by seven to a total strength of 199. The number of societies consisting exclusively of members of the depressed classes continues to rise, 36 new organizations with this type of membership being enrolled in the course of the year under review. There are also encouraging symptoms of the growing popularity of the whole movement. The number of honorary workers has greatly increased and Directors who used to take only a nominal or

United Provinces.

indifferent interest, are now displaying real solicitude for the welfare of the banks under their charge. A Standing Committee of Co-operators has been constituted, to which important questions are referred for advice. During the year, particularly valuable services have been rendered by this organization. It is interesting to notice that in the winter of 1921-22 a Co-operative Exhibition was held at Allahabad which achieved remarkable success. In the Punjab as elsewhere, the Co-operative Department works in the closest touch with the Agricultural experts. It has collected a library on rural economics which will compare favourably with any in the world; and excellent work is being done in directions which will make clear to a generation less handicapped by finance the lines on which progress is feasible. It is by preaching thrift that the Co-operative Department is doing perhaps its most valuable work. It is no longer considered sufficient that agriculturists should deal with co-operative societies instead of with the money-lenders; they are being urged gradually to build up their own capital. The progress which has been achieved may be seen from the fact that between 1921-22, the total working capital of agricultural societies rose from Rs. 221 lakhs to Rs. 253 lakhs. This increase in deposits is all made by the rural folk. Two other very useful types of co-operative societies are beginning to flourish in the Punjab, those concerned with arbitration and with the consolidation of holdings. The first type, which attempt to settle village disputes by less costly means than resort to the Courts, are now beginning to give way to the machinery set up by the new Panchayat Act; but those dealing with the consolidation of holdings are making steady progress. The scattered strips of cultivation belonging to each owner in the Central Punjab villages are similar in form and in origin to those obtaining in the open field system of medieval Europe. By the consolidation of holdings it is hoped to achieve in the Central Punjab, without friction and without distress, the agricultural progress which resulted from the enclosure movement in England. In Bihar and Orissa, as elsewhere, the co-operative movement continues to show remarkable progress. Figures for the year 1921-22 indicate considerable increase in membership, working capital, and reserved funds. At the end of March 1922, there were 4,261 societies of all kinds, with an aggregate membership of 137,000. The Co-operative Federation, which is concerned with the direction of the movement throughout the provinces, held two meetings, as a result of which it was decided to start Divisional Boards,

Punjab.

Bihar and Orissa.

to consider all matters of importance concerning the co-operative movement within the area of each Division. In the year 1921-22 Rs. 45 lakhs were advanced as loans to members at an average rate of Rs. 15 per cent. interest. The savings deposits of the Central Banks are showing a considerable expansion; while the Provincial Bank had a successful year. Some central banks utilize their money by giving long term loans for land improvement; while no fewer than 24 new schools were opened during the course of the period, thereby raising the total number to the figure of 354. Co-operative stores have been started in various localities; and the successful results achieved both in a backward area like Angul and in advanced industrial centres like Jamshedpur serve to indicate the prospects before this development. The material and moral improvements, whether the direct or indirect fruits of the co-operative movement, continue to be satisfactory. Not only have members of societies been able to get money on easy terms; but in some areas, the local money-lenders have been compelled to reduce their rates of interest. Members have also been able to redeem their land and to swell their income by the purchase of additional land or cattle. In some places, members have taken definite steps to check excessive drinking, gambling and litigation; and a large number of disputes have been settled by the co-operative organization during the year under review. In Bengal, despite the adverse economic conditions, there has been an increase both in the number of societies and in their membership. The Central Banks succeeded in attracting a larger amount of local capital; and in consequence an increasing number are showing signs of backing the financial endeavours of the Provincial Co-operative Federation. Public confidence in this organization is proved by an enormous growth in deposits during the year under review. In Bengal a notable feature is now the attention bestowed on the development to forms of co-operation other than credit. Stores and Supply societies yearly increase in number; and although their working still leaves much to be desired, they have achieved one satisfactory result in lowering local market prices. Efforts have also been directed towards the development of cottage industries. The possibilities of establishing stores for stocking and supplying yarn to weavers on a co-operative basis, have been explored; and proposals for the formation of industrial unions have been under consideration. Special attention was paid to weavers' societies with a view to the expansion of the handloom industry, while as a result of the propaganda work of the Department, the conch shell

Bengal.

workers of Dacca have combined to form a society which provides an assured and cheap supply of raw material independent of the middleman. Irrigation societies increased in number, and proposals for extending this form of activity in various areas throughout the presidency are under consideration. Associations of practical agriculturists have also been organised on a co-operative basis for the purpose of agricultural propaganda and for the introduction of co-operative methods among the cultivators. In the Central Provinces during 1921, as was pointed out in last year's Statement, the co-operative movement underwent a severe crisis through the inability of the Provincial Bank to finance the central banks. A committee was accordingly appointed to consider the whole organization of the movement. The Report showed that the recent crisis had been due to a disregard of ordinary banking principles by the provincial banks; and it suggested methods by which the co-operative credit movement might be brought into touch with the commercial banking system of the country through an improvement of its business methods and of its accounting system. The major portion of the Committee's recommendations were accepted by Government, especially the general principle that in the interest of the movement itself, Government must disclaim responsibility for the future provision of direct financial assistance to co-operative institutions; and that the principal function of the State should be the provision of adequate external supervision for co-operative banks dealing with a large and constantly increasing amount of money deposited by the general public. Despite the trials through which it has passed, the co-operative movement in the Central Provinces continues to expand in a most satisfactory manner, and the total working capital has risen from Rs. 2·99 crores to Rs. 3·2 crores in the course of the period under review.

Central Provinces.

Among the lines of progress to which organised effort, such as that embodied in the co-operative movement, will in the near future undoubtedly contribute, is one most necessary to the well-being of the Indian people, that is to say, sanitation. Mention has been made in successive Statements of the difficulties attending the task of the sanitary reformer in India. In the face of widespread popular apathy among the millions who dwell under British administration, the meagre resources of Government have been able to accomplish but little. If one may argue from the analogy of Europe and America, the necessary preliminary to any satisfactory advance in sanitary conditions among a large population

Sanitation.

is the growth among the educated classes of a humanitarian and altruistic spirit which will lead to the devotion of time, money and personal energy to the amelioration of the conditions in which their less fortunate brethren live. The problem is in the first place educational; and it is written in terms so enormous that its solution must necessarily be slow. The fact must plainly be stated that India can never be safeguarded from a heavy death rate, punctuated by disastrous epidemics, until a change can be introduced into the general ideas regarding hygiene now prevalent, intimately connected as they are with the religious and social customs of the people. The fact that the Indian masses are poor is of course a complicating factor; but their poverty, as we have already noticed, really springs from the same root as their innocence of hygiene. In short, it is the tenacious adherence both of the classes and of the masses to social customs and observances as diametrically opposed to economic prosperity as they are to public health, which makes the problem of improving India's sanitation at once so acute and so difficult of solution. With an increase in the receptivity of the classes to new ideas, and with the amelioration of the social and economic status of the masses, it may be possible radically to remedy India's backwardness in this direction. So revolutionary a process cannot be accomplished in a day. The recent improvement in the margin of subsistence of the lower classes does not seem to have been accompanied by any manifestations of a desire for progress in public health. Through town and country alike there is urgent need of implanting the germ of elementary sanitary knowledge. The value of fresh air, pure water, and wholesome food, as well as the elements of domestic and personal hygiene, have to be brought into every day life of the population. Diseases are still generally attributed to the visitation of higher powers; and when sickness occurs, the Indian prefers to take steps to propitiate offended deities rather than to disinfect his water supply and to prevent the contamination of his food. It is in the Indian home, and particularly among Indian women, that a better knowledge and a keener appreciation, of sanitary principles are most urgently required. For in this sphere the old conservative forces exercise their strongest opposition to the introduction of new and more healthful practice. For any real progress two things are essential. In the first place the administrative agency must enjoy the confidence of the people and must proceed along lines in conformity with their traditional mental processes. In the next place, it must supply the driving force necessary to overcome the dead

Difficulties.

weight of century-old inertia. So far as the first essential is concerned, it is probably in a fair way to be realised through the transfer of sanitation to popular control. It is the second requisite which is so lamentably to seek in India. When all allowances are made for financial stringency, it cannot be said that many Indian public men have thrown themselves enthusiastically into the improvement of public health. A good deal has of course been done during the past ten years, particularly in the sanitation of the larger towns; but of late there has been a failure to maintain progress. The opening up of congested areas, or the replanning of cities on better lines are not only expensive, but very difficult; since they meet with considerable opposition from those in whose interests they are mainly designed. In the matter of rural sanitation, very little has been accomplished, and it is still not untrue to describe the average Indian village as a collection of insanitary dwellings situated on a dung hill. The co-operative movement is already accomplishing something towards the improvement of these conditions, although on a pitifully small scale. Certain of the local Governments seem to be directing attention to the prevention of epidemic diseases; but their efforts have been handicapped by financial difficulties. Some Municipalities and District Boards are devoting both money and energy to sanitation; but with their increasing freedom from official control, these institutions seem generally prone to divert funds from the improvement of public health to the inauguration of showy schemes for a rapid expansion of primary education. There are however hopeful signs of future progress in the increased attention which is devoted by the newspaper press to the question of disease-prevention. The reformed local Governments have not been slow to make a beginning. In most provinces, propaganda work is now carried on in rural areas by means of magic lantern lectures, informal talks with villagers, and the issue of pamphlets and leaflets prepared by the local Public Health Departments. In the more advanced provinces such as Bengal, a systematic expansion of work has commenced; and special officers are employed for the purpose of demonstrating to the general public the dangers of impure water, adulterated food and insanitary habits. In this connection it may be noticed that the floods in Northern Bengal, which have been noticed earlier in this chapter, have afforded a practical demonstration to the people in general of the value of sanitary measures and other organized methods of disease-prevention. More than half the personnel of the Public Health Department were employed in the

Sanitation a Transferred Subject.

flood area for a period of nearly three months, assisting both the local authorities and the voluntary organizations engaged in relief work. As a result of the joint action taken by all workers against disease, cholera and other epidemics were conspicuous only by their absence. In general it may be stated that there is an encouraging increase in the strength and number of the voluntary associations which display an interest in sanitary work. Private generosity both in money and service multiplies year by year — a development which is of itself promising for the future.

Financial Stringency and its effects.

Throughout the year, financial stringency has seriously hindered the progress of research. The school of Tropical Medicine and Hygiene, which owes its inception to Sir Leonard Rogers, was, it is true, successfully opened at the beginning of the period under review. But the project for a school of Tropical Medicine in Bombay, which has for some time been under consideration, has had to be abandoned for lack of funds. A similar fate has overtaken the scheme put forward two years ago for the maintenance under the Central Government of a body of epidemiologists whose services might be placed at the disposal of local administrations in coping with serious epidemics. The Indian Research Fund Association continues to conduct important enquiries dealing with such diseases as hook-worm, influenza, kala-azar, malaria, leprosy, pneumonia among the other epidemics which oppress India; but as a result of recent measures of retrenchment, the staff of research workers which has been built up of late years for investigation into tropical diseases has been heavily reduced, and the income of the Indian Research Fund Association greatly curtailed. The output of work so essential to India's welfare will suffer considerable reduction. It is to be hoped that the necessity for such retrenchment will only be temporary.

Among the most pressing problems of India's health is that presented by the appalling infant mortality. It has been calculated that every year no fewer than 2 million Indian babies die; while many of those who survive continue weak and feeble through unhygienic surroundings in their infancy. Indeed although birth-registration is still too inaccurate to make precise figure reliable, it may be stated with confidence that one in five, or perhaps even one in four, of the infants both in India die within the first year of life. In crowded cities, particularly industrial cities, the rate is still higher. Fortunately

Infantile Mortality.

educated opinion is becoming more and more alive to the necessity for remedial measures. The Infant Welfare movement which owed much to the All-India Maternity and Children Welfare League initiated by Lady Chelmsford continues to make good progress under the patronage of Lady Reading. In all the centres of population, work is now being done for the training of midwives, for the instruction of mothers, and for the care of babies. Training schools for Indian and Anglo-Indian women have been opened for the spread of the elements of infantile hygiene in other parts of India. Most hopeful sign of all is the fact that Indian ladies are beginning to interest themselves in this work in larger numbers. In this sphere, the work of the Poona Seva Sadan Society deserves particular mention. At its headquarters in Poona infantile welfare work is being conducted along lines which are both admirable and highly practical. But such is the magnitude of the field that consistent and widespread effort on a scale hitherto impossible must be undertaken if any appreciable reduction is to be made in the appalling mortality of young children. The work done year by year by the National Association for supplying Female Medical Aid to the Women of India continues to enjoy support both of Government and of the Legislature. An increased subsidy to the figure of Rs. 3·7 lakhs is now paid to the Association from Central Revenues. The Countess of Reading has initiated a scheme for training Indian nurses and lady-doctors in larger numbers, which should do much to improve the situation as time goes on. Voluntary effort is also contributing in the same direction. Among the Bhatia community in Bombay the Poona Seva Sadan has started a maternity and infant welfare and nursing service which is manned wholly by lady-doctors and nurses, the products of the society itself.

Social Reform.

Closely connected with the problems of sanitation, many of which depend upon the domestic customs of the people, is the question of social reform. Perhaps in few spheres of human activity have the democratic ideals encouraged by the war proved of more benefit than in the impetus they have afforded to social reform in India. The more characteristic problems in this country may be said to centre round the institution of caste, which, intimately bound up as it is with the structure of Hindu society, presents an obstacle almost insuperable to the penetration of modern ideas. Originally concerned with the preservation of ceremonial purity in social relations, the caste system has in course of ages developed into an institution which assigns inexorably to each individual his posi-

tion and his duties in the structure of orthodox Hinduism. The essence of the working of the caste system is that a Hindu is not affected by anything which is done outside his own caste. Thus not merely individuals, but whole classes of humanity, are separated, as it were, into water-tight compartments; and some of them are subjected by immemorial tradition to degrading disabilities at once hereditary and inevitable. Indeed among the most difficult aspects of the whole problem is the elevation of the "depressed classes" or the so called "untouchables" who form more than one fifth of the entire population. At present large numbers of them are obliged to reside in conditions of almost animal squallor outside the city or the village. They may not draw out water from public wells; they may not enter the houses of people belonging to the touchable classes; in some provinces they may not even use the public streets. They are denied the use of temples and inns; their children are not customarily admitted into the ordinary schools and when admitted, are made to sit apart from others who would be polluted by their mere touch. These disabilities, although primarily social, extend to the minutest operations of daily life; so that a labourer or agriculturalist belonging to the depressed classes is constantly a loser in ordinary commercial operations through his inability to enter a shop or even to pass through streets where shopkeepers dwell. Social ostracism so degrading persisting through immemorial centuries, has naturally constituted a most serious obstacle to manliness, independence and capacity for self-help. And the difficulty of the problem is increased by the fact that what stands most in the way of the depressed classes is the social tradition observed by a great majority of the cast community. The Administration can legislate to its heart's content; but even the most galling disabilities under which the outcastes labour cannot possibly be removed by this means. They will persist until the social sense of the Indian people advances to a level which entails the disappearance of these heritages from a more primitive age. Indeed it seems now plain that reform will come not so much from the efforts of philanthropists, as from organized assertion on the part of the depressed classes themselves.

Caste.

The Depressed Classes.

Since the War, the improving economic position of labour has changed the outlook of these classes perhaps more than that of any other stratum of the population. It has enabled them to cast their eyes beyond the immediate surround-

Self-Help.

ing of their every day toil; it has stimulated them to initiative, it has inspired them with resentment. In the course of the year 1922, there has been a notable tendency to combination among them. Particularly in provinces like Madras, where caste restrictions are still all-powerful, conferences have been held which were widely attended by representative members of the depressed communities. The proceedings of these meetings are very instructive; they reveal a fixed determination towards political, social, economic, and moral uplift, combined with a steady resolve to resent the invasion of those social and natural rights to which as human beings they consider themselves entitled. There is much plain speaking, concerning the insanitary habits, and the educational backwardness, which prevent the depressed classes from rising in the world. These conferences although primarily social and economical are not without their political bearing. Generally speaking, there is a strong feeling of gratitude towards the existing administration on account of its impartial treatment of all classes, and its sustained efforts to assist those whom the caste system would condemn to hereditary degradation.

State and Voluntary Effort.

Indeed the problem of the depressed classes has for long been occupying the attention of Government. Everything that can be done by legislation has been done; and so far as the letter of the law is concerned, there is nothing to prevent a member of these classes from rising to the highest position open to any Indian. Systematic efforts have also been made to encourage the spread of co-operation among these classes, and to give them the benefit of increased educational facilities. In many provinces, special scholarships are provided; allowances are made for the purchase of books and other educational requirements; and stress is laid upon the right of the outcastes to participate in the educational machinery by which their more fortunate brethren have for so long profited. The numbers under instruction are everywhere rising, although the proportion of depressed class pupils is still infinitesimal in view of the size of their community. In this benevolent and essential work, designed for the uplift of one-fifth of the total population of India, voluntary agency has been particularly successful. The work of the various Christian Missionary Societies is beyond all praise. Not only have they established a large number of schools for the education of the depressed classes, but in addition, they have resolutely insisted that pupils from this social stratum should be admitted side by side with members of the higher castes into colleges

under mission control. By this means they have gradually created a body of public opinion which recognises that the depressed classes have a claim to be treated as fellow human beings. Excellent work is now being carried on by a number of societies other than Christian.

Future Prospects.

Altogether there can be no doubt that we are now witnessing the beginning of a great change in the position of the depressed classes. This change is not however confined to them, but is coming over all the less exalted castes. Their traditional weakness is disappearing, they are beginning to recognise and to avenge social tyranny. As we noticed in last year's Statement, for the first time in the history of India the lower castes in one province, namely Madras, have asserted themselves as against the ancient intellectual oligarchy of the Brahmins, and have seized political power in their own hand. The true significance of a revolution so momentous can scarcely be estimated at this moment, but its influence upon the progress of India towards democratic institution must inevitably be profound. It seems scarcely too much to say that the first bulwark of caste-dominance in political matters has been stormed as a consequence of the recent constitutional changes. In this connection it is important to notice that the gradual awakening of the public conscience in the matter of untouchability has lately been echoed with increasing fervour from the political platform. The injunctions which Mr. Gandhi gave to his followers may well be ranked by the future historian as the most fruitful consequence of his remarkable campaign. In last year's Statement we saw that he had caused consternation in the orthodox camp by his slashing denunciations of the inhuman treatment meted out to the depressed classes. His influence has unquestionably aroused his followers to the seriousness of this grave social problem; but it is interesting to notice that Mr. Gandhi himself has continued throughout the whole of his public life to be an energetic supporter of the caste system. Deprived of his leadership through his incarceration in Miarch 1922, some of his followers have gone very much further than the r master, and are now advocating the abolition of the whole structure. Perhaps fortunately, this is quite beyond the power of any group of individuals; and will remain so for many years. But if a proportion of the energy so lavishly expended upon the furtherance of political progress were to be diverted to the advance of social reform, a great change might well come over the face of India in the course of the next two generations.

Social Reform and Political Movements.

During the year under review, social conferences were held both at Nagpur and at Gaya — the first under the ægis of the Liberal Association and the second in connection with the Indian National Congress. In the Nagpur meetings, great stress was laid upon the necessity of compulsory education: and it was pointed out what serious obstacles are imposed in the way of the education of the depressed classes, on account of the hostility of the upper castes. In this connection reference was made to a memorial actually drawn up in Bihar and Orissa at the time when the compulsory Primary Education Bill was being discussed. The Memorialists urged among other things that since it would be impractical to provide a separate school in every area for the untouchable classes children, all castes would have to sit together in the projected schools — a course which was "repugnant to the social customs and religious scruples of the people." The President of the Nagpur Conference went so far as to say that any Hindu who would be a true social reformer must accept in principle the destruction of caste. Speeches delivered, not be it marked, by members of the depressed classes, but by prominent representatives of the Indian intelligentsia, urged that so long as the stigma of untouchability remained, social progress was impossible. Bitter references were made to the oppression practised by some non-co-operators upon the depressed classes at the very time when Hindu-Muslim unity and national ideals were being loudly advertised. But, as we have already noticed, Mr. Gandhi's influence has made itself manifest to restrain intolerance among his followers; and among the most interesting features of the great gathering of Congressmen at Gaya was the holding of a Social Conference. Resolutions were passed which in their way were far more drastic than those which found favour at Nagpur. They advocated the removal of untouchability; the abolition of the Parda system, the education of women, the encouragement of widow re-marriage, the prohibition of child marriage, and the elevation of the depressed classes.

Nagpur.

Gaya.

Criminal Tribes.

The social problems of India are by no means confined to the lower or depressed classes strictly so called. There are certain communities known as criminal tribes, whose hereditary occupation is crime of one kind or another — burglary, highway robbery or even assassination combined in many cases with prostitution. Towards the uplift of these unfortunate beings,

who are a positive danger to the community as a whole, the Administration has long laboured. Criminal tribes are concentrated into settlements, managed either by Government or by some such organization as the Salvation Army. Here they are reclaimed, subjected to kind but firm supervision and assisted to gain a decent livelihood. Perhaps more important than all from the point of view of the ultimate disappearance of their hereditary occupations, is the system which has been adopted of influencing the younger generations. Special efforts are made to teach skilled trades to boys and to young men; to find them employment; and to enable them to become self-supporting and self-respecting members of the community. With the adults all that can be done in most cases is to restrain their tendencies towards hereditary crime, and to keep them under careful supervision in pursuit of some honest occupation.

The Parda System.

But in addition to the problems which confront Indian society on account of the existence of the depressed classes and the hereditary criminals there are certain special characteristics of the life of the country which are repugnant to the reformer. For example, the seclusion of women behind the Parda, which is a semi-universal characteristics of middle and upper class life, operates as a great drag both upon the economic and the educational progress of India. The last few years seem to have witnessed a steadily increasing emancipation of Indian women from the restrictions under which they have for centuries laboured. They are now displaying a growing interest in political and social questions; are assuming increasing prominence on the platform and in the press; are showing much zeal in the cause of temperance, infant welfare and other philanthropic activities. Increasing numbers of both Hindu and Muslim ladies are cultivating the habit of mixing in society under the cover of a long veil; and it is notable that in political and social gatherings, the number of seats reserved for women is on the increase. But progress is very slow; for the Parda system is considered fashionable: and no sooner does a class of society which has not hitherto observed this custom rise in the economic scale, than the seclusion of women is gradually introduced as being something which is a hallmark of respectability.

Other Topics.

Among other features of Indian life to which the reformer takes exception may be mentioned the early age of marriage and the prohibition of widow-marriage. Discussions of topics such as these, and endeavours to arouse public opinion to a sense of their gravity, are fortunately on the increase and

a growing amount of propaganda may now be observed. As practical indication of the gradual growth of public opinion, we may mention that the solid and beneficent activities of such societies as the Servants of India, with the Seva Sadan in Poona and the Social Service League in Bombay; the Bengal Social Service League and similar organizations, continue to increase. These societies carry on welfare work both in the towns and in the rural areas; and in times of public calamity, they organise or assist special efforts at relief. They impart sanitary education by leaflets and lectures, and they open schools. Among the most valuable work performed by voluntary agencies of this type is certainly that of the various societies which direct their efforts particularly to women. As examples may be mentioned the Bhagini Samaj which has already fifty centres in Gujarat; and the Poona Seva Sadan which has trained over 700 women principally for medical and educational work.

In the preceding paragraph a brief outline has been given of some of the more outstanding and more characteristic difficulties which await the Indian social reformer. We must now briefly consider two social problems of a character unfortunately not confined to India alone; the problem of drink and the problem of drugs.

Drink and Drugs.

The drink problem as visualised by Western reformers is almost unknown in India, save in those few places where heavy concentrations of industrial workers occur. This is largely due to the fact that in the majority of the communities which make up the Indian people, indulgence in strong drink is severely reprobated. It may be mentioned that this reprobation does not extend to intoxicating drugs but only to intoxicating liquor. Even so, the *per capita* figure of consumption of both combined is extremely low. The excise revenue per head, which includes what the State derives both from drink and from drugs, varies in different parts of India from just over four annas in the United Provinces to one rupee fourteen annas in Bombay. Between these two extremes come five annas in Bihar, eight annas in the Punjab, eleven annas in the Central Provinces, thirteen annas in Assam and Burma and one rupee two annas in Madras. The most notable feature of the year 1921-22, however, has been a marked decline in the excise revenue in almost every province of India. This is ascribed by the authorities principally to seasonal difficulties; and secondarily to a serious growth of illicit consumption which has attended certain of the activities of the non-co-operation movement.

Non-Co-operation and Temperance.

We noticed in last year's Statement certain of the features of the anti-liquor movement associated with the non-co-operation campaign. Most regrettably, this movement has been political rather than social in character. Its object seems to have been not to check the consumption of liquor generally on social and industrial grounds; but to curtail as far as possible the Government excise revenue by a boycott of the licit liquor from which that revenue is very largely derived. As we noticed, the temperance campaign was conducted not by means of lectures demonstrating the evils of drink, but by attacks upon those who took any part in the trade in licit liquor. In so far as the campaign was sincere and was not merely a political artifice, it seems to have been based upon the fallacious idea that Government creates and fosters a demand for drink, which would cease automatically if the State were only ready to forego the excise revenue. The idea that Government steps in to regulate consumption does not seem to have been considered. In point of fact the policy of the State both in the matter of drink and drugs may be summed up in the phrase " maximum revenue from minimum consumption "; and every care is taken to minimise temptation to those who do not drink, and to discourage excess among those who do. Indeed, Government intervention operates to regulate both the quality and the quantity of the liquor consumed—the quality by the prescription of a certain standard of strength of spirit, and the quantity by the levy of still-head fees which the consumer ultimately pays. It would be perfectly possible by this means to place such a duty upon licit spirit as to render its retail price prohibitive; but since the demand for liquor exists quite independently of Government, the only result would be an increase in the production and consumption of inferior illicit spirit. One unfortunate consequence of the campaign which was pursued during 1921-22 by the non-co-operating party against liquor was to drive much of the consumption underground. This is clearly shown by the increase in almost all provinces of prosecutions for breach of the excise regulations. For example, in the Central Provinces cases of illicit distillation during the year 1921-22 rose from 423 to 798; while in the first five months of the year 1922, they amounted to 680 as against 457 in the same period of the year 1921-22, and 236 in 1920-21. This is only natural in view of the fact that in certain provinces at least, the classes of the population which usually patronise liquor shops have invariably thought that it was the *inalien-*

Government's Position.

able right of every one to brew such liquor as he desired; and that the advent of swaraj would be accompanied by the withdrawal of all limitations alike upon the production and upon the consumption of alcohol. Indeed the experience of the year shows that the patient policy pursued by Government, that of steadily utilizing a real control over the drink traffic in the direction of abstinence, is absolutely necessitated by the fact that sources of illicit supply are far more accessible in India than in any European country. In Southern India, and for the matter of that in many districts of Northern India, liquor can be had from almost any palm-tree with no more skill than is required to cut an incision and with no more apparatus than a knife and toddy pot. In the large concentrations of industrial labour the situation is somewhat different. The Government of Bombay, for example, has been able to take comparatively drastic steps to meet the drink evil. During 1922, the strength of the spirit supplied was considerably reduced: while a firm rationing system was introduced which supplied the liquor shops in Bombay with 10 per cent. less than the quantities consumed in 1920-21. In several Indian provinces, Licensing Boards are being set up in the larger cities; which supervise the local conduct of the liquor traffic, recommend the abolition of liquor shops and shorten the hours of sale. Generally speaking, considering the small hold which the drink habit possesses over all but certain particular sections of the population, the activities of Government in reducing the drink evil are likely to be supplemented effectively by well-directed volunteer effort. Excellent work has been done by Christian Missionary Societies, by the Y. M. C. A., and by indigenous philanthropic bodies, in fostering an attitude of mind among the drinking community, which is calculated to result in permanent improvement; that is to say, the removal, not of the sources of licit supply, but of the desire for alcohol. Efforts which are pursued along these lines are proving far more effective than the violent operations of those who profess to carry out the orders of Mr. Gandhi.

Drugs.

While the drink problem has excited considerable attention in India during the period under review, the problem of drugs and particularly the use of opium, has come in for considerable attention from critics outside the country. The consumption of opium and hemp derivatives excites little reprobation in India, provided that the use of these drugs is not carried to immoderate lengths. Indeed, the whole position of opium in particular

is so different in India and in the West that a word of explanation is required. The appreciation of the peculiar characteristics of the opium question in India is unfortunately hindered by the great and increasing literature emanating from well-meaning and philanthropic people in other countries. Much of this literature is partisan and unbalanced, being written by those who have no first-hand experience of the Indian position. And the fact that the Government of India is directly connected for administrative convenience with the opium trade, has led to wild accusations being brought against it. Indeed that Government has been accused in some quarters of corrupting souls and ruining bodies for its own selfish purposes both in India, China and elsewhere. The broad facts of the opium question are in outline these. The soil of most parts of India will produce the opium poppy. The population of India had habituated itself for many centuries before the arrival of the British to the consumption of opium in small quantities. The vast majority of the people connect this drug, and undoubtedly to some extent justifiably, with certain medical properties. They have used it for many years on ceremonial occasions: they cannot and will not be broken of the habit suddenly. The total consumption per head is very small indeed; for opium is rarely smoked in India, but is employed as a household remedy and as a refreshment on ceremonial occasions. As in the case of drink, the policy of Government is to control the trade in such a way as to ensure its most effective regulation, and to prevent it from passing into the hands of the type of persons with which it would readily, if uncontrolled, become associated. For over a century, Government has been engaged in the gradual acquisition of control over the production, transit and sale of the drug throughout the continent. This had been done by the practical concentration of the cultivation, so far as British India is concerned, within restricted areas; by the discontinuance of cultivation in many of the Indian States as the outcome of negotiations; and by the inclusion of the different provinces in the general system as the necessity for regulation became manifest. The success of this policy is proved by the fact that, while the revenue from opium steadily rises, production and consumption steadily decline decade by decade. Rising prices and restricted supply are gradually causing opium to be used less and less for ceremonial hospitality or personal indulgence, and are tending to restrict its consumption to purposes more strictly medicinal. A typical example of

Opium.

Opium in India.

Government Control.

this process is found in the figures for the Madras Presidency. In 1911-12, the consumption of opium was 42·6 thousand seers, producing to the State a revenue of Rs. 0·13 crores. In 1920-21 the consumption had declined to 36·2 thousand seers while the revenue had risen to Rs 0·26 crores. But it must be remembered that the Government of India does not control the whole country. There remain the Indian States. By negotiation, certain Indian States have been brought into line with Government policy regarding the production of opium; but while no opium produced within their territory can pass into British India except under permit, the Government of India can exercise no effective regulation regarding their production of opium for internal consumption. To attempt to enforce any policy of suppressing or restricting the cultivation of opium in Indian States, apart from any arrangements which may be entered into under Treaty obligations, would mean an interference with their internal administration such as the Government of India have no power to exercise either by prescriptive or by Treaty rights. Progress in the desired direction is none the less steady. During the year under review the legislative measures necessary to give effect to the provisions of the International Opium Convention were completed by all the Central Indian States. The majority have legislated on uniform lines and the standardisation of their regulations should prove conducive to the convenience both of State officials and of the public. The quantities which may be possessed by a single person without license have been generally reduced to three tolas for ordinary opium and half a tola for opium smoking preparations: while an appreciable numbers of States have absolutely prohibited the possession of the latter form of drug. But while during the last few years British Provinces have increased their taxation of opium with unexampled rapidity, it has been impossible for all the Indian States to keep pace with them. The difference between the prices at which opium is available in British India and in Malwa has already given an impetus to smuggling across the borders of the States. The active co-operation of the Railway Police and the Railway staff has been enlisted and there have been during the year under review important seizures of opium on the railways in Central India. The policy of Government so far as the consumption of opium in India is concerned must be counted definitely successful. The world however is far more interested in the question of the export of Indian opium to other countries. Attention has been directed to this matter

The Indian States.

Progress.

not merely by philanthropiss of many different lands, but also by the League of Nations itself. Here again, there is considerable misapprehension of the real position. People forget that India is only one of the four great and several small opium producing countries of the world. Of these, Persia and Turkey stand outside the Hague Convention altogether; while China, to assist whose emancipation from the drug evil India sacrificed a former revenue of £4 millions a year, now produces something like 70 per cent. of the world's total supply. The fact is that from the year 1915 the Government of India have continuously pursued the policy of endeavouring to supply opium direct to the Governments of consuming countries in substitution for sales by public auction. Last year about three-fourths of the total exports were made direct to such Governments. No obligations are imposed to take a minimum quantity; and the Government of India on occasions have supplied less than the quantity required. Negotiations are already on foot for direct contracts with the remaining large importers of Indian opium, which include Japan, Portugal and France. Since the beginning of 1923, indeed, the import certificate system has been adopted by India as prescribed by the League of Nations. The effect of this is that opium may now be exported to any country only on the production of a certificate from the Government of that country that the drug is required for legitimate purposes. India, indeed, exports no opium to any country which prohibits import; she exports no opium in excess of the quantities which the Government of the consuming country desires to admit; and she has in practice voluntarily placed a limit on the total exports from India irrespective of what the particular demands may be. That there is considerable misconception regarding this attitude was shown by the proceedings of the Second Assembly of the League of Nations. At its first session the Assembly had recommended to the Council the appointment of an advisory committee to make suggestions regarding the more effective execution of the Hague Convention. At the second session, the committee proposed the appointment of a Board of Enquiry which would investigate and report on the quantity of opium required for strictly medicinal purposes and thus enable the League ultimately to restrict the cultivation of opium to this amount. But the Indian delegates protested, in that the recommendation took no account of the fact that in several countries the use of centuries sanctions the employment of

Export of Opium.

Rigid Control.

The League of Nations.

opium in circumstances which traditional empiricism fully justifies. They further pointed out, that India was the one important opium-producing country which had rigorously observed, and even improved upon, the recommendations of the Hague Convention. The Indian view was that the more effective observance of the terms of that Convention should be for the present the object of the League's efforts; but that if any enquiry was to be launched, its scope should be extended so as to include all legitimate uses of the drug. This view made a great impression upon the audience and finally prevailed.

From many points of view it is undeniable that the problems discussed in preceding sections of this chapter really group themselves round one single central issue, the paramount importance to India's progress of an adequate educational system. Only if the ideas of the people in general can be enlarged, and their outlook extended, does it seem possible for India to develop the energy necessary for advance along the lines of responsible government. Failing such a change, the masses of the population must continue poor and ignorant: the women-folk must remain for the most part consumers rather than producers, adding little to the national wealth either intellectual or material: the progress of sanitation, the conquest of disease and the achievement of physical well-being must be indefinitely postponed. In short, without a widespread system of education of the kind suited at once to India's capacity and to India's needs, the country cannot hope to realise those aspirations towards nationhood which are at present cherished by so large a number among her educated population.

Implications of Educational Progress.

The most obvious features of India's educational position at the present moment are two. First, the control of this important nation-building work has been transferred to Ministers responsible to the provincial Legislative Councils; and secondly, an immense deal remains to be done before the educational structure can be placed upon a broad and substantial basis. We may take the latter aspect first. Out of the 247 million inhabitants of British India, only 8·38 millions are under instruction. In other words all but 3·39 per cent. of this vast population is still untouched by the existing educational scheme. Of the male population, 5·59 per cent. is under instruction, and of the female only 1·18. In the primary school, which must constitute the very foundation of any sound educational struc-

The Present Position.

Limited Scope.

ture, barely 3 per cent. of the population is enrolled. On the other hand, we may notice that in the secondary schools the relatively remarkable proportion of 0·5 per cent. of the total population is under instruction. When allowance is made for the fact that females can be virtually left out of the reckoning, this is a proportion far greater than the corresponding figures for England and Wales. Still more striking are the figures for University education, where the percentage of the population undergoing instruction is no less than 0·025 per cent. Since again the female population has almost to be eliminated, this figure compares strikingly with 0·054 per cent. of England and Wales. In other words Indian education is ill-balanced; for while the poorer classes are predominantly illiterate, the middle classes are educated in a proportion equal to that of countries whose social and economic conditions are more highly developed. This remarkable characteristic has impressed itself upon the type of education generally fashionable. The middle class parent has, at least up to very recent times, emphatically demanded a literary type of education for his children, because he looks forward to their enlistment either in Government employment or in the legal profession. Primary education, which has so far been dragged behind the chariot of secondary and higher education, is not merely defective in quantity, but is also unsatisfactory in quality. Investigations show that the majority of children attending primary schools are under instruction for between 3 and 4 years; and for the majority of that time, four out of every five linger in the lowest class. The natural result is a tendency to relapse once more into illiteracy, after the painfully short period of instruction comes to an end.

Indian Education Ill-Balanced.

It is therefore plain, that if national education is to be placed upon a solid foundation, the first and most vital task is an attack upon illiteracy. This problem, however, is complicated by factors peculiar to India, some of which we have investigated briefly in the foregoing pages. Among these may be included the poverty to be found among the masses; the persistence of disease; the inadequate condition of communications; the persistence of certain traditional ideals which at present regulate life and human relationship throughout the country; the conflict of communal interest and the chasm between rural and urban life. These factors have, broadly speaking, operated to prevent the growth of any desire for education among the masses of the community.

Problem of Illiteracy.

TOTALS OF LITERATES AND ILLITERATES: BRITISH INDIA

LITERATES
18·6 Million
[each square represents 1,000,000]

ILLITERATES
[each square represents 1,000,000]

The poor cultivator is frequently willing in theory to admit that education would improve his material well-being, and would assist him in avoiding the clutches of the money lender; but it is not easy to convince people who are daily faced by the problem of poverty and who need the labour of their children, that the ultimate benefits of education are worth the immediate material sacrifice involved. Another serious difficulty is constituted by the financial position of the country. In the year 1921-22, the total expenditure on education amounted to Rs. 18·38 crores. This sum represents a fraction of the public resources of the country which compares not unfavourably with that devoted by other lands to the same purpose. But it is quite inadequate to the calls made upon it. Moreover, owing to the peculiar conditions of Indian life, this sum does not go as far as it should towards meeting requirements. For example, in all Western countries where compulsory primary education has been successfully introduced, more than three-fourths of the teachers in primary schools are women. Without the woman teacher it would be impossible to carry through a mass programme of popular education, not only because the supply of men teachers would be inadequate to the task, but also because the expense of paying them would be prohibitive. In India, for reasons already noticed elsewhere, the assistance of women is not usually available in primary schools; and indeed owing to the shortage of qualified women, male teachers are sometimes engaged for the instruction of girls. There is a further difficulty in the organization of a system of primary education adequate for India's needs; and it is this. The social conditions of the country discourage men of trained intellect from returning to the villages and from influencing the masses in the direction of education. The religious organisations of India do not offer to graduates the same opportunities of work and influence as fall to the clergymen in the West; there is not the same scope for the Indian medical graduate in the village as exists for a medical practitioner in the English country side; finally the Indian landowner does not ordinarily proceed to the University, and if he does, he rarely spends the remainder of his life upon his ancestral estates. There is thus a marked absence throughout the Indian educational structure of the honorary services and personal interest of those better educated classes who in England, and indeed throughout the West generally, have done so much to increase the influence, add to the efficiency, and exalt the prestige, of the village primary school.

Special Difficulties.

Education a Transferred Subject.

Returning now to the first of the most obvious characteristics of the present educational situation in India, we may notice that one effect of the transfer of education to the charge of popular ministers has been the strengthening of the contact between the Educational Department and public opinion. Broadly speaking it is now left to the Legislative Councils in the Provinces to determine the best method of adapting the educational system to the needs and circumstances of the local population. The Reports of debates in the various local councils show clearly how keen is the interest which the educational problem is arousing among the Indian intelligentsia. Almost every province in India is now displaying great educational activity ; and it speaks well for the clear sighted perception of the Ministers in charge of education that in most places the major portion of their attention is being devoted to a concerted attack upon illiteracy in its very stronghold—namely the masses of the population. Even before the transfer, primary education Acts had been passed in almost every province, which permitted the local bodies to introduce, under certain conditions, the principle of compulsory education. Thus provided with a foundation upon which to work, the Ministers have been able to concentrate much of their attention upon the illiteracy problem. Many noteworthy experiments in this direction are being made, up and down India, which, in view of the peculiar difficulties to which we have already adverted, are already displaying a gratifying measure of success. Definite programmes had already been laid down in many provinces for the doubling of the number of children in primary schools ; for the location of primary schools in every area satisfying certain conditions ; and for the raising to a certain figure of the proportion of the population under instruction. Within the last two years, the funds devoted to these schemes have been augmented, and public interest keenly aroused. In Bombay and the United Provinces, to mention two localities in particular, the State has paid much attention to the task of placing " Compulsion " upon a more satisfactory basis. The former Government now possesses powers enabling it to impose compulsion without waiting for local option, and to enforce the principle by adequate measures. In the United Provinces, the Municipalities have been addressed with the object of encouraging them to apply the compulsory principle, and the results are said to be promising. At the same time, in view of the lamentable tendency of the primary

Enthusiasm for Primary Education.

school pupil to remain stagnating in the first class, much attention is being devoted to the more adequate training of teachers ; to an increase in their remuneration ; and to the cultivation of a professional pride in the success of their work. Further the educational curriculum is being revised in many places, and efforts are being made to devise courses of study which shall combine with a good general training some form of vocational instruction. In this respect, as in others, a real endeavour is being made to meet the needs of the masses, whose interests have not been favoured by the decided bias towards the literary side which Indian education, even in its early stages, has hitherto tended to display. A systematic investigation in various parts of India into the problems of mass education has shown that one of the most important needs of the country is the encouragement of backward districts. It is not difficult in practice to secure the improvement of primary education in a wealthy municipality ; but what is above all required is State assistance to those who have not the resources to help themselves.

Secondary Education.

The stimulus to popular enthusiasm in matters educational which has been a noticeable accompaniment of the transfer of a subject so important to popular control, is by no means confined to the primary stages. There has been of late an increasing realization among the provincial authorities that secondary and university education in India, although in a position quantitatively more satisfactory than primary education, have qualitatively certain very serious defects. Secondary education in particular is still of poor standard and badly regulated. In consequence, the major portion even of those boys who pass through the full secondary course enter the world with no training for citizenship ; with no formed ideals and with no aspirations save those connected with personal success. The demand for secondary education in India, although at the moment perhaps less marked, through economic stress, than at other periods during the last decade, is still almost inexhaustible ; and all efforts at improvement seem to be swallowed up in an overwhelming supply of cheap and bad institutions. The proprietors of private schools are able without fear of losing their pupils to manage their academies at the lowest limit of inefficiency ; for since the most necessary ingredients of education as generally understood, namely, social life and good physical conditions are not demanded, they are not forthcoming. These defects were for the first time authoritatively brought to notice by the Calcutta University Commission, whose Report represents a land mark in Indian edu-

Present Deficiencies.

cational history. Fortunately, it is now generally admitted, at least in theory, that secondary education in India needs to be radically remodelled in order to bring it more closely into contact with the needs and aspirations of the country. There is a growing realisation that since, under the most favourable circumstances, the largest proportion of the population of India cannot hope to pursue its formal education beyond the secondary stage, the structure of secondary education must be well balanced and complete in itself. At present this is just what it is not. Indian boys who desire to obtain an education worthy of the name are still compelled to pass from the secondary school to the University, even though their aptitude and their choice of a future vocation do not fit them in the least for a university career. It was for this that the Calcutta University Commission desired to find a remedy ; and the proposals of the Report regarding the separation of secondary from university education ; the erection of the former into a self-contained system ; and the confining of each to its proper sphere, are now being carried out in several Indian Provinces. Boards for Secondary and "Intermediate" education—stages which together constitute a complete pre-University course—have been constituted in several parts of India ; and much attention is being directed both in the Legislative Councils and outside to the solution of the most pressing problems of this branch of development. Here, as in the sphere of primary education, the pay and status of the teachers are all important. Many Provincial Governments, in addition to raising the pay of their own schoolmasters, have come to the help of aided institutions with a grant for the improvement of staff pay.

Future Developments.

While the Government of India still retains certain functions in connection with Indian Universities, particularly in the matter of legislation, the general control of the university system has, with the exception of certain all-India sectarian institutions and the Delhi University, been placed within the province of the local Governments. Of late, university education in India has undergone a striking change as a result of the lead supplied by the recommendations of the Calcutta University Commission. The typical Indian university up to some two years ago consisted of scattered colleges, one often separated from the other by hundreds of miles. With inadequate staff and inconsiderable equipment, these colleges in the majority of cases attempted to convey instruction far more elaborate than lay within their compass ; while the University itself pursued a phantom existence as an examining body. In sub-

Universities Old and New.

stitution for this system, the Calcutta University Commission recommended the erection of "centralised unitary universities", residential and teaching bodies in which all instruction was to be given by University officers under the direct control of the University authorities. This change was to be accompanied by the removal from the University stage of all tuition which did not strictly belong to it; and the creation of new institutions to be called "Intermediate Colleges" which should provide a logical culmination to the training provided in the secondary schools.

The task of giving effect to such recommendations of the Calcutta University Commission as seemed to harmonise with local conditions has fallen to the reformed provincial governments. The lead was taken by the United Provinces, where new universities have lately been opened at Aligarh and at Lucknow, while the original University of Allahabad has been reconstituted in an attempt to follow the general lines recommended by the Commission. In Burma a centralised residential university has been incorporated at Rangoon; in Bengal the Dacca University, constituted upon lines laid down by the Calcutta Commission is now in working order. The University of Calcutta, now under the control of the Bengal Government and not of the Government of India, is undergoing extensive modifications. The universities of the Punjab and of Bombay have developed new honours courses and added university teachers. A new University has been established at Delhi; while proposals are under consideration for the creation of a University at Nagpur which, it is hoped, may ultimately develop into a managing and teaching body. A bill has also been introduced into the Madras Legislative Council for the reorganization of the Madras University upon teaching and residential lines.

Transfer of Education: Unfavourable circumstances.

It will be plain from what has already been stated that the transfer of education to popular control has been accompanied by a marked development in many directions. It must however be realised that this transfer has been accomplished under circumstances the reverse of favourable. It coincided in the first place with the advent of widespread financial stringency; and in the second place with the coming of the disastrous movement known as non-co-operation. Of the two the former has proved the more serious. In dealing with the financial situation of India, we have already pointed out that stringency in the provincial budgets since the introduction of the Montagu-Chelmsford reforms has served to starve many of

those nation-building departments which it was the prime object of the new regime to nourish. Among all the lines of development for the expansion of which educated Indian opinion has long raised its voice, education probably stands supreme. But the transfer of education to popular control has taken place at the time not only when provincial resources were, owing to the prevailing conditions in agriculture and commerce, at a low ebb, but also when the finances of the central Government made it imperative to call upon the provinces for heavy subventions. That the central Government has made a determined effort, along lines the significance of which is still not adequately realised by popular opinion, to put an end to this state of affairs, and to set free provincial resources for increased expenditure upon such important subjects as education, has already been made clear elsewhere in this Statement. It will be of interest, however, in this place to examine very briefly the financial disadvantages under which education, in common with other " transferred " subjects, has been compelled to labour.

Financial Stringency.

Taking all the revenues of the provincial Governments together, it is seen that out of a total of Rs. 101 crores Rs. 9·2 crores, or roughly 9 per cent. is devoted to education. The proportion however varies considerably province by province, the extremes being respresented by the North-West Frontier Province, which spends 18·8 per cent. of its provincial revenue upon education, and Burma, which spends 3·7 per cent. Between these extremes come Bombay with 13·7 per cent.; Bengal with 12·6 per cent.; Bihar and Orissa with 9·7 per cent.; the United Provinces, the Central Provinces and the Punjab with a little over 8 per cent.; and Assam with 7·7 per cent. These might seem at first sight very respectable proportions; and the provincial administrations might well be congratulated on devoting so substantial a percentage of their total renvenues to the encouragement of education. Unfortunately the impression they convey is somewhat misleading; the provincial revenues themselves are in many cases so modest that the result is far from satisfactory in allotment per head of population. Judged by this standard, the proportions we have stated are no safe guide to the educational position of the various provinces. For while Burma has the smallest percentage of educational estimates to provincial revenues, her comparatively low population enables her to spend on instruction Rs. 0·46 per head. Per-

Provincial Revenues and Educational Estimates.

haps the most pitiable example of the other extreme is Bihar and Orissa which out of a provincial revenue of Rs. 5·6 crores devotes 9·7 per cent. or Rs. 5·5 lakhs to the education of 34 million people—an expenditure per head of Rs. 0·16. Fortunately, this pittance is by far the lowest figure of *per capita* educational expenditure. Bombay, which spends Rs. 0·94 per head of population, leads the scale. In between come the North-West Frontier Province, whose limited population enables her to spend Rs. 0·53 *per capita* ; the Punjab with Rs. 0·43; the Central Provinces with Rs. 0·4 ; Madras with Rs. 0·36 ; the United Provinces with Rs. 0-34; Assam with Rs. 0·29, and Bengal with Rs. 0·26. It is obvious that an expenditure *per capita* which works out at an average of Rs. 0·37 throughout the provinces of India is quite inadequate for the erection and maintenance of the educational structure which India's progress towards Responsible Government requires. The devotion of more adequate funds to educational development must be pronounced among the most pressing requirements of the country at this moment. That an adequate expansion cannot take place until such time as India's finances are in a more prosperous condition seems obvious ; but at least a beginning could be made if it were possible to release the provinces from the necessity of contributing to the central exchequer. That the Central Government is fully alive to the importance of an advance in this direction, we have already seen.

Provincial *per capita* Educational Expenditure.

But the general financial stringency under which Indian education has laboured since its transfer to popular control has produced results which are not entirely sinister. In the first place, it has led to a minute investigation into existing sources with a view to their more effective utilization. In certain provinces, notably the Punjab, experience has shown that there is room to combine rigid economy with increased efficiency. The principal device which has rendered this possible is a cautious application of the compulsory system. While for the reasons already mentioned, compulsion cannot be applied more hastily in the Punjab than elsewhere, it has been found possible to employ it in suitably selected school areas in several districts. Such a process eliminates waste in several directions. It ensures that pupils will stay at school at least for four years and will probably derive instruction of real benefit to them in later life. It further enables the size of classes to be increased ; and facilitates the concentration of the school-going population into institutions staffed by more than one teacher.

Economy and Efficiency.

The difference between a school of 160 pupils with a teacher for each class and four or five schools of 30 pupils with a single teacher taking all four classes, is, from the educational point of view, immense. The quality of the teaching and the character of the work turned out are as the poles as under ; and one multi-teacher institution is a far more effective means of advertising, the benefits to be derived from education than a large number of single-teacher schools. Further the cautious application of the principle of compulsion enables all existing buildings to be fully occupied ; with a consequent saving alike of new construction and of previous wastage. Other methods of economy which have been successfully pursued are the concentration of specialist teachers in a convenient centre in such manner as to make their services available for many districts rather than one ; the abolition of " watertight compartments " so that high schools can serve more than one district and training institutions more than one division ; and the revision of the inspecting system in such a way as to save overlapping. It is of course obvious that such methods as these demand two things, first a harmonious co-operation between the permanent officials at the head of the educational machinery and the responsible Minister to whose control education has been transferred ; and in the second place a public opinion which is prepared to sanction at any rate in principle, the gradual application of the compulsory system. It is indeed gratifying to be able to record that the first requisite seems present everywhere throughout India. But the same cannot be said of the second. While most Provincial Legislative Councils have shown themselves in theory favourable to the compulsory principle, the actual introduction of this principle and its operation by local bodies are generally attended with some difficulty. As we have already noticed in our discussion of the institutions of local self-government, there is a general reluctance on the part of the Municipalities and Boards to apply the compulsory principle even in such a vital matter as the collection of their own rates. It is therefore not surprising to discover that they display an even greater reluctance to employ coercion in the cause of compulsory education. In this connection we may notice that there is a tendency in certain quarters where " local option " compulsion is being stiffened into absolute compulsion, to place the onus of enforcement, and of proceeding against the recalcitrant, upon the shoulders, not of the local authority, but of the provincial executive. And while the adoption of such a device may seem

Two Requisites.

Co-operation.

Compulsion.

a curious commentary upon the present stage of progress towards responsible government, it may well afford a temporary solution to one of the main difficulties which at present hinder the general application of the compulsory system.

Non-Co-operation.

The second of the crippling disadvantages which have attended the transfer of the educational system of India to popular control has been the troubled political situation characterising the last two years, culminating in a concerted onslaught by the non-co-operators upon the whole existing educational structure. The withdrawal of pupils from Government and aided institutions; the withdrawal of recognised institutions from all forms of Government control and aid; and the erection of a parallel structure of national education—such were the methods recommended by Mr. Gandhi and his adherents. The actual results of this organised attack varied from province to province, but everywhere it was responsible for enhancing immensely the difficulties of the reformed regime. It had little effect upon the teaching profession, who throughout maintained a splendid loyalty to what they saw to be the real interests of the country. But it did exercise a very serious influence upon educational finance, particularly in certain provinces. For example, the Vice-Chancellor of the Calcutta University estimated last year a total loss under the head "Examination Fees" of not less than Rs. 0·02 crores. It also gravely affected student discipline, leading to an increase in strikes and serious offences against school and college regulations. The interests of the student community suffered severely, because the call to national service and self-sacrifice found a quick response among the best, who threw to the winds their present obligations and their future prospects in order to take part in political agitation. Most regrettably, these debit items were not offset by any satisfactory entries on the credit side. The much advertised system of "national education" which the non-co-operators proposed to erect in the room of the structure they designed to destroy, has in large degree failed to materialise. A certain number of so-called "national" schools, "national" colleges, and even "national" universities have been set up, but with the exception of a mere handful of well-run institutions, the major portion seem already on the point of disappearing. While the worst have been content with a slavish imitation of the more hackneyed features of the system they professed to replace, even the best have not succeeded in calling into being a more truly indigenous type of education. With the exception of their fetish of compulsory spinning, their system does not seem to differ

very much in curriculum, in standards of teaching or in ideals inculcated from that which obtains in the less efficient government and private schools. The explanation of their failure lies in the fact that they enjoyed none of the advantages of the pioneer. In their insistence upon "national" education, the non-co-operators were only voicing a demand which has been in the mouths of all-Indian educationalists for many years. They differed from their predecessors only in so far as they considered that they could achieve their end by the destruction, rather than the remodelling of the present system of education, and by the elimination of all connection between Government and public instruction. Their failure to achieve, with amateur organisers and pitifully slender resources a result which the existing machinery, with its trained experts, long experience and nation-wide finances is still seeking after, is therefore readily intelligible. At the same time, the idealism which characterised the better side of the movement has not proved wholly infructuous; since the conception of large educational institutions, carried on without help from Government is a distinct contribution to the future, even if the realisation is yet to come. That the so-called "national" institutions as exist at present, are unlikely as a whole to exercise much influence either upon the uplift of the masses or the instruction of the classes, is now obvious. But the healthy dissatisfaction with the present system which lay at the root of their early and fleeting success, is symptomatic of an awakened popular interest in the educational requirements of the country. That much of the instruction imparted in India is still but poorly adapted to the practical needs of the recipients remains unfortunately true and the significance of the cry for "national" education seems to lie in an increasing realisation of this fact by many who were unfamiliar alike with the complexities of the problem, and with the devoted energy which has for long been addressed to its solution. Now that the control of the educational structure, the shaping of the curriculum, and the direction of policy, have passed into the hands of ministers responsible to the people of their province, there seems reason to hope that the laudable desire for a system of education that deserves the name of national will produce something far more permanent and far less wasteful than the ill-starred enterprise, redeemed from bathos only by its idealism, which is Mr. Gandhi's contribution to India's most pressing problem.

"National" Education.

Its Failure.

We have seen that the transfer of Indian education to popular control has been attended with certain accidental difficulties due to the conditions through which the country chanced at the time to be passing. It remains to consider briefly the working of the new machinery.

Education Provincialised: some Tendencies.

While it is still too early to determine with any exactitude the effect produced upon the educational system by the changes of the last two years, it is already possible to discern the emergence of certain tendencies. In the first place, there is a marked readiness to experiment with new methods, a zest in the preparation of new programmes, which were formerly absent. Upon these developments space does not permit us to enlarge ; but the record of almost every Province serves to illustrate the growth of a healthy spirit of investigation. Further, as has already been noticed in our brief study of the institutions of local self-government, there are encouraging symptoms of a new desire on the part of local bodies to devote a high percentage of their incomes to educational expansion. That there is room for considerable development in this direction is plain from the fact that in the year 1921-22 the respective cost to local funds and to provincial revenues of educating a single pupil in Board or Municipal schools amounted to Rs. 4·8 and Rs. 8·0 respectively. In other words, even to the branch of education with which local bodies are most directly concerned, they contribute only one-third of the total cost. When we push the comparison into other spheres, the proportionate share of local funds immensely decreases, with a corresponding increase of the burden upon provincial revenues. It has been calculated that the average annual cost of educating a pupil for all classes of institutions amounts to Rs. 17·8 per year. Of this sum provincial revenues bear Rs. 8·7, and local funds bear only Rs. 2·9. These proportions will have to be equalised or even reversed in the near future, if the expansion of education now so keenly desired is to materialise. A further feature which deserves notice in connection with the provincialization of public instruction is a divergency in the form of system now favoured in various parts of India. Broadly speaking, we may notice two opposing tendencies at work. On the one hand, there is a desire to secure, through every branch of educational activity, the direct and personal control of the Minister responsive to the Provincial Council. This line of advance seems generally favoured by the majority of the provinces. On the other hand, there is also noticeable in greater or lesser degree a tendency

Centralisation and Decentralisation.

precisely antithetical; a desire to decentralize educational control, and to erect in each District an Educational Council or some similar body which stands as it were between the Minister and the actual working of the educational institutions. It is impossible at the present stage to determine which of these divergent tendencies is likely to be attended with the more satisfactory result; indeed it may be that the widely different conditions in various parts of India are of themselves responsible for the existing hesitation between the two extremes. But the divergence in different localities is significant of an alarming tendency towards "provincialism" in the sinister sense of the expression. Some provinces are already showing a disposition to go their own way regardless of the developments favoured not only by their immediate neighbours, but by the country as a whole. In view of the number of problems for which a purely provincial solution is quite inadequate, this spirit of provincialism deserves to be closely watched. It is plain in the first place that the decision reached by a single province upon an educational issue of all-India concern must generally be based upon inadequate data; may seriously embarrass other provinces and may even postpone indefinitely a satisfactory issue. Secondly, there is a broader aspect to be considered. The only method by which the idea of nationhood can be spread fruitfully among the vast population of India, which includes a multitude of diverse races, castes, and creeds, is through the creation of an educational system which, however flexible in detail and however adaptable to local needs, contains certain common elements of the nation-building kind. Extreme provincialism in public institutions may well result in accentuating rather than in softening racial, linguistic and provincial lines of cleavage, thereby hindering rather than helping the formation of a united nationhood.

"Provincialism."

We may conclude our review of Indian Education by a brief investigation into certain particular problems which at the moment present themselves for solution. Hitherto we have been dealing primarily with the Indian population of the school going age. But it will be obvious on reflection that a very large part of the education now needed in India is adult education; and particularly adult education of a kind which will supply the new electorates with some guidance in the use of the suffrage which constitutional reforms have placed in their hands. Broadly speaking, adult education in India resolves itself into two distinct problems,

Adult Education.

since two distinct classes of people have to be considered. There is first of all the very numerous section of the population which has received no substantial instruction in early life. There is secondly a more favoured class which has enjoyed a fair general education, but after leaving school has lacked either the taste or the opportunity for developing its civic consciousness. This latter class being largely confined to the towns presents a straightforward problem, in the solution of which there is a great scope for the University Extension movement. Development along these lines is the more likely to be successful since university or collegiate institutions are to be found in the majority of places where this class of individual exists. Some progress, indeed, is already being made in various Indian cities during the period under review; the attention of the thinking public has been aroused to the possibility of the University Extension; and lectures have been arranged on such subjects as the Indian Fiscal Problem, Comparative Politics, and the like. The political importance of rapid advance in this direction is very considerable: since that ignorance of the immediate problems of administration and of government which characterises the average citizen of Western countries, is particularly noticeable even in the case of the intelligentsia of India. But the most formidable difficulty attending adult education is that of reaching the mind of the electors in particular, and the adult citizens in general, belonging to the class which has no educational background. The preponderating bulk of such people live in the country districts, where their inaccessibility aggravates the problem; but there also remains to be considered the industrial population of the large towns. So far as the education of the rural community is concerned, whatever work is being done at present is carried on principally by the departments of Agriculture, Public Health and Co-operative Credit, which in various parts of India organise lectures on matters directly affecting the welfare of the people through travelling magic-lantern and cinematograph parties. Here as in other lines of advance, the work performed by Co-operation is beyond all praise; extending as it does to the formation of village libraries, to the subsidisation of travelling instructors, and to the formation of night schools and village institutes wherever local circumstances allow. Among the industrial classes in the towns, considerably more is being accomplished than might be expected, even in view of the greater facilities which their concentration affords. Such philanthropic associations as the Young Men's Christian Association, the Social Service Leagues and the Poona Seva Sadan, are labouring nobly among mill hands and industrial employees. The

popularity of night classes and of general lectures in such a centre as Bombay is of itself sufficient indication of the great demand which exists for adult education among classes of workers who have hitherto been contented to remain almost wholly illiterate.

Female Education.

Vast as is the problem of adult education, its solution is almost simple when compared with the complexities presented by another question, upon which depends the ultimate future of the whole country—the education of Indian women. We have already noticed from time to time the immense drag which the general illiteracy and usual economic unproductiveness of half of India's population must necessarily impose upon the progress of the country. Only by education will it be possible to break down the barriers which have hitherto shut the majority of Indian women folk from the world, and have prevented them from exercising to the full their rightful influence upon the national development. It is sometimes said that the principal obstacle to female education in India is the purdah system. This is only true to a limited extent. A far more formidable difficulty is the virtually complete absence of effective demand. The importance of educating the female half of the community is not yet realised by the bulk of—predominantly male—public opinion; and indeed until recently the demand for such education was practically confined to a few advanced thinkers. This is partly due to the fact that hitherto the kind of education available has not squared with traditional ideas regarding the domestic position of India's womanhood. The difficulty of devising courses of instruction which will commend themselves to that substantial body of opinion which still regards female education with suspicion is not a small one; and there is reason to believe that the existing structure of Indian education needs to be modified radically before such a thing is possible. But quite apart from the present lack of effective demand, there are many grave difficulties connected with its creation and satisfaction. No rapid expansion is possible without an adequate supply of competent women teachers. And the fact must be faced that only a great social change can call them forth. The Calcutta University Commission Report pointed out in impressive terms the peculiar difficulties and dangers which surround young women who desire to adopt the teaching profession. "The fact has to be faced" the Report runs, "that until men learn the rudiments of respect and chivalry towards women who are not living in Zennanas, anything like a service of women teachers will be impossible." The problem therefore depends for its

Difficulties.

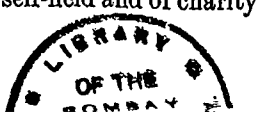
solution not merely upon the energy and devotion of those in charge of education administration, but also upon a gradual change in the whole public attitude of India towards woman-kind—which of itself is impossible without a widespread system of popular instruction among the men. At the same time, it must be stated that progress though slow is by no means wanting. Despite the difficulties and the disadvantages above mentioned, Indian ladies are commencing to come forward for service in the teaching and nursing professions. Several voluntary organisations such as the Young Women's Christian Association and the Poona Seva Sadan are encouraging in their healthy progress; while certain local Governments are devising schemes for the training of Indian ladies for the nursing profession. In general it may be said that the outlook is by no means hopeless.

Among other special branches of educational work we may notice that the instruction of Muhammadans presents peculiar problems of its own. Every Muhammadan boy must spend a considerable time in imbibing religious instruction; and this fact naturally reduces the period available for secular instruction. One consequence had been a general backwardness in education as compared with the Hindus. Fortunately there has been of late a marked appreciation among Muslim leaders of the need for improving the instructional level of their co-religionists; and in many of the provinces of India a great impulse towards educational advance among the Muhammadan community has been noticed of late. To this, the foundation of the new Muslim University at Aligarh may be expected to contribute. Many local Governments now make special provision for the education of Muhammadans by means of grants to district boards, special systems of inspection, and the provision of ready avenues for the advance of promising boys. There is considerable lee-way to make up in most parts of India, but it would seem to be generally true to say that Muhammadan education is gaining ground in a manner not unsatisfactory.

Muhammadan Education.

Regarding the education of the European and the domicile community, there is little to record. Both these communities are comparatively small, realise the value of education and are prepared to pay for it. In the case of the domiciled community a certain amount of state aid is found necessary, not through unwillingness on the part of the members of this section to contribute to the cost of education, but through sheer lack of the necessary resources. Generally speaking, there is a very large amount of self-held and of charity

European Education.



available, the effect of which has been to raise the general level of education in both communities to a satisfactory height. European Education, it may be mentioned, is a reserved subject and is not under the control of the provincial Ministers. But it must be placed to the credit of the local legislative councils that no action likely to weaken the financial position of the European schools has been taken by them.

Depressed Classes.

Regarding the education of backward and depressed classes, we have already noticed in another place the tendency to self-help which is characterising these sections of the population. This has found its most practical expression in an increased demand for the benefits of education, with the result that in most parts of India additional facilities are now being provided and utilised in greater and greater degree. A powerful impulse towards the satisfactory provision of State aid to the instruction of backward and depressed classes is provided by the presence in the provincial legislative councils of elected or nominated representatives of these orders of society. Such men are as a rule able to place constantly and effectively before the administration the needs of their particular communities; and to ensure that in the general distribution of educational facilities and educational benefits, the backward and depressed classes are not omitted.

Technical Education.

We have already seen symptoms of an increasing popular demand for technical and industrial education. Everywhere in India there has been of late a reaction against the purely literary type of instruction once so popular; and with the transfer of the educational curriculum to popular control, the introduction of a more practical side in the various courses of study has followed. At the same time it is interesting to notice that the poorer classes of the population do not seem to favour a rigid vocational education so much as might have been expected; revealing indeed the most praiseworthy acumen in their preference for a good general type of education intimately correlated with practical problems. In several parts of India for example, it has been found that the costly plan of providing practical training in agriculture for rustic boys in special schools is far less successful, because far less popular, than the attachment of agricultural classes to vernacular middle schools, where a general as well as a technical training is assured. For some years the principal difficulty of advanced technical education has lain in the lack of suitable openings for boys who had passed through the various Engineering Colleges and Schools of Engineering. This difficulty, which operated

powerfully for the discouragement of technological training, is gradually passing away with the expansion of Indian industries. So long, however, as this expansion continues at its present modest rate, there will be no scope for that vast increase in technical institutions which is advocated by certain sections of opinion . At present, while the Government Engineering Colleges continue to expand their registers, and the Schools of Engineering scattered up and down the country are prospering, there are no signs that they are unduly overcrowded or that their multiplication would for the present be profitable.

CHAPTER V.

The Political Record.

In last year's statement we attempted a somewhat elaborate analysis of the inception and progress of the non-co-operation movement. It now falls to our lot to chronicle that movement's decline. While no attempt will be made to retrace in detail the path which was traversed twelve months ago, it will be necessary to describe briefly the origin and character of Mr. Gandhi's remarkable campaign, in order that the closing scene of the drama may become intelligible to those who have not themselves witnessed the earlier acts.

Origin of Non-Co-operation.

The non-co-operation movement was primarily a resultant of two forces; the first the extraordinary personality of its author; the second the post-war restlessness which India has shared with so many other countries. Mr. Gandhi, who is probably more widely known throughout the world than any other individual living in India to-day, has for the major portion of his life been convinced that modern civilization is a mistake. He believes, like his master the late Count Tolstoi, that the vast social and economic structure built upon the scientific discoveries of the 19th century is pernicious in its effects upon the individual man. He conceives that modern education developes in those subject to its influence the mentality of a slave; that all the machinery of complex civilisation, hospitals, doctors, law-courts, railways, parliaments, do but serve to increase the gulf between man and God. The sole end of rightly directed human activity, according to Mr. Gandhi, is the freedom of the individual soul; and anything which, by adding to the complexity of life, threatens to hinder that freedom, is by nature bad. Mr. Gandhi believes that the only road by which man can attain natural and primitive simplicity, which in his eyes ranks so far above economic, political and industrial advance, lies in the mastery by spiritual force of material might. The weapon of passive resistance therefore appeals to him strongly, whether as a means of securing national regeneration through the consequest by love of evil-doers; or as an irresistible lever for the redress of grievances suffered by a people at the hands of its government. After a striking success in South Africa, Mr. Gandhi determined to employ passive resis-

tance to his native country. The opportunity occurred in 1919, when he headed a campaign against the so-called Rowlatt Bill. From this sprang the spark which fired the Punjab, and produced a conflagration that embittered the political atmosphere of India for the next three years. The experience of this "Himalayan blunder" as he himself described it, taught Mr. Gandhi that the main obstacle to his scheme for the reclamation of his country from the insidious miasma of Western civilisation, lay in the readiness of the masses to resort to unreasoning violence. Accordingly, between the summer of 1919 and the autumn of 1920, he devoted himself to the ceaseless inculcation, among all those whom his influence could reach, of the blessings of non-violence and its efficacy as a means of redressing national wrongs. In this endeavour, he was greatly assisted by the political atmosphere which then prevailed. For long he had enjoyed among his Hindu co-religionists the authority with which India envelopes a saintly ascetic. Further, much of his doctrine was akin to orthodox Hindu practice. His insistence upon the supremacy of soul-force, his advocacy of national fasting as a means of influencing Government, his conviction of the irresistible power of passive resistance, have all three their basis in the ancient Hindu doctrine of *Dharma*. But had Mr. Gandhi confined his activities to his own co-religionists, his movement of non-co-operation would never have gathered the momentum which later distinguished it. It is at this point that his personal influence joins forces with the spirit of the time.

The Khilafat Movement.

Shortly after the Armistice, there had appeared in India a movement directed towards the obviation of any harshness in the terms to be offered to Turkey. Indian Mussalmans felt that they had contributed greatly to the defeat of the Ottoman Empire, and they naturally desired that the post-war settlement should accord with their own predilections. Little by little an enthusiastic section of advanced Muhammadan opinion, aided first by the delay in the conclusion of the settlement, and secondly by the Indian reaction to a wave of anti-Muslim feeling which swept Europe and America, succeeded in arousing the bulk of their community to a lively apprehension that the Christian powers of the world were about to destroy the last remaining bulwark of Islam. Gradually the whole of Indian Muslim opinion, Shia as well as Sunni, became consolidated into a united front for the support of Turkey's cause—a support which strengthened into violent partisan feeling when the terms of the Treaty of Sevres were published. Mr. Gandhi realised, as he himself stated, that this situation presented, "such an opportunity of uniting Hindus

and Muhammadans as would not arise in a hundred years." He promptly made the cause of Islam his own, accepted even the least reasonable claim of the Khilafat party as being dictated by the unalterable mandate of religion, and placed in the very forefront of his aims the satisfaction of Muslim sentiment.

Mr. Gandhi's Opportunity.

This stroke of Mr. Gandhi's was something unparallelled in the previous history of India. Never before had a leader, accepted with unquestioning reverence by members of one community, succeeded in placing himself at the head of demands formulated by the other. Of itself, such a circumstance would have been a portent; but occurring as it did in the then atmosphere of India it became doubly significant. For the country was at that time suffering from the full effects of the post-war reaction. The educated classes in particular were profoundly dissatisfied. We may recall that the Morley-Minto Reforms of 1909 had been welcomed by Indian opinon; but before long, there was manifest an increasing disappointment at the meagreness of the results achieved. The outbreak of the World War and India's magnificent rally to the cause of the Empire, sweeping away, for the moment at least, all minor considerations, alone prevented constitutional agitation from rising to great heights. But the feeling from which this agitation would under normal circumstances have sprung, none the less persisted. It was indeed stimulated by the declaration of the war aims of the Allies; and by the hearty recognition which India's services evoked from English statesmen.

Constitutional Aspirations and Disappointed Hopes.

But as the struggle dragged on, and the enthusiasm manifested at its outbreak waned, this feeling of dissatisfaction was fanned into distrust and suspicion. Fears were widely entertained that after her sacrifices, India would be left in the cold. The declaration of August 20th 1917, which laid down the ultimate aim of British Rule, to some extent allayed these apprehensions; but India's expectations were now raised to great heights, and the Montagu-Chelmsford Report of 1918 was condemned by many sections of opinion as inadequate. Had it been possible to translate these recommendations at once into the law of the land, there can be little doubt that the new constitution would have been worked, if not with the enthusiasm, at least with the acquiescence of the educated classes. But between the appearance of the Report, and the passing of the new Government of India Act in 1919, occurred first the Punjab disturbances and second the Khilafat movement. Moreover, high prices and general economic pressure bore hardly alike upon the masses and

the classes. In consequence, Mr. Gandhi found the whole political atmosphere of India in a state of dangerous saturation, awaiting only the emergence of a great leader or a great movement to crystallize into agitation of an unprecedented kind.

"The Khilafat, the Punjab and Swaraj."

Between January and March 1920, secure in the support of the Hindu community, and steadily acquiring a remarkable influence over the Muhammadans, he began to adumbrate a scheme for bringing the Government to their knees. He would accomplish this by gradually withdrawing the co-operation of the public from successive spheres of administrative activity. He fixed four main stages for the execution of the campaign; first the resignation by Indians of titles and honorary offices; secondly the withdrawal of Indians from all government services save police and military; thirdly their withdrawal from the police and military; and fourthly, suspension of payment of taxes. This programme was extensively advertised and gained a very wide support, even if it did not secure adherents who were prepared to give practical effect to its proposals. In the middle of June 1920, Mr. Gandhi, finding that he was assigning to the goal of his movement a complexion so predominantly Muslim that he was likely to lose part of his Hindu following, extended its scope to cover the satisfaction of Hindu opinion in the matter of the Punjab. In previous Statements we have described in some detail the unfortunate occurrences of 1919; and the resentment they aroused among educated Indians. By voicing in his own characteristic manner the injured feelings of his countrymen, Mr. Gandhi found it easy to take full advantage of the wave of nationalism which had been stimulated and intensified by the other events we have briefly mentioned. A little later he still further extended the scope of his movement to cover the achievement of "Swaraj". This word, which had previously been understood to mean self-government, was permitted by him to bear a variety of interpretations. It shortly became a mirror of many facets, wherein each section of opinion could behold the image of its own desires. To some it represented Mr. Gandhi's own ideal of government of the self. Others read into it Dominion home-rule; to another party it represented complete independence; yet others interpreted it as Muslim supremacy. Above all to the masses suffering under a series of bad harvests, further aggravated by rising prices and low wages, it shortly became synonymous with the commencement of a golden age when prices should fall, when taxation should cease, and when the

"Swaraj."

State should refrain from interfering with the good pleasure of each individual man. Nor was Mr. Gandhi himself more definite in his interpretation, for he knew well that any attempt at precision would be accompanied by the withdrawal of one or more sections of opinion upon whose assistance he was relying. At one time he explained Swaraj as responsible government, whether within or without the Empire; at another time as Dominion Home-rule. Later, as we shall see, he defined it has the universal employment of the spinning wheel; yet again he identified it with the triumph of the Khilafat party. A like inconsistency governed his statement as to the date on which the desirable consummation was to be achieved. He foreshadowed it successively for September 1st, 1921; for October 1st, 1921; for October 30th, 1921; for December 31st, 1921; until finally he pessimistically declared that he could fix no date.

Mr. Gandhi's Apotheosis.

The summer and autumn of 1920 saw Mr. Gandhi gradually consolidating his forces, lifted by degrees upon a wave of sentiment both Hindu and Muslim, to a height which no Indian leader had ever previously attained. Considering all the circumstances the wonder is not that his influence extended so widely, but that there remained in India even a section of opinion which was not carried away by his personal character and by his public aims. Yet such was the case. For some months the success of his campaign hung in the balance; and only after some hesitation did a large proportion of educated India, won by the attraction of his personality and by his skilful interpretation of their innermost predilections throw alike to the winds their caution, their instinct, and their previous political professions to follow the standard of the Mahatma. Even then, as we shall see, there remained a few who conquered the almost irresistible temptation. But to his side there flocked the big battalions. In September 1920 he obtained the support of a special Calcutta meeting of the Indian National Congress. He assured the assembled delegates that Swaraj could be gained in the course of a single year. In co-operation with a sub-committee he elaborated his programme, adding such items as the boycott of British Courts by lawyers and litigants; the boycott of Government schools and their replacement by national schools, and most significant of all—the withdrawal by Congress candidates of their candidature for election to the reformed councils, and the refusal on the part of Congress voters to vote for any candidate who might stand for election. It was in connection with this last item, that Mr. Gandhi encountered the

The "Triple Boycott."

obstacle upon which his movement was ultimately to shatter itself. The moderate or Liberal party, while they may have sympathised in many ways with Mr. Gandhi's objects, could not reconcile themselves with his methods. They had committed themselves from the first to an honest working of the Montagu-Chelmsford Reforms; and to this pledge they remained faithful. This is the more remarkable in view of the fact that upon the question of the Punjab and to a less extent, of the Khilafat, many of them felt as deeply as did the non-co-operators. Their hearts naturally responded to the nationalist sentiments voiced by Mr. Gandhi. They reverenced his personality; they sympathised with his ends; and, sharing as they did in the feelings of their countrymen, they had little more love for the Government than he had himself. But they were convinced of two things; and when he proceeded to transgress the bounds of these convictions there could be no question of their joining his movement. They knew that the methods of mass agitation which he favoured would lead to disastrous results; and they firmly believed that the road to India's aspirations lay not through the boycott of the new councils, but through their employment, their mastery and their extension. The history of the succeeding two years has eminently justified their decision. As we shall notice later, the spectacular gesture of the non-co-operators in boycotting the elections and eschewing the councils recoiled upon their own heads. Before a year was over, this initial blunder of Mr. Gandhi was recognised by the coolest thinkers; and the political history of India during the year 1922-23 is very largely determined by the desire of a growing section of the non-co-operating party to reverse a decision which injured only themselves.

The Policy of the Liberals.

But throughout the year 1920 and for much of the year 1921, these results were not apparent. In December 1920 Mr. Gandhi succeeded in capturing the whole Congress organization, exercising over the assembled delegates an influence greater than had fallen to the lot of any previous individual. The slightest divergence from his opinion was treated with marked intolerance by his followers, who were entirely carried away by his promise that they could obtain swaraj in a single year. The Congress "creed" was remodelled in such fashion as to omit the time-honoured reference to the British connection; and other symptoms of a novel and dangerous spirit were manifest. Gradually Mr. Gandhi's position approached more and more closely that of a dictator—a position formally recognised a bare twelve months hence

Mr. Gandhi captures the Congress.

The Congress organization was his to make or mar; and throughout the whole of 1921 he extended its activities in directions diametrically opposed to those which had been favoured alike by the founders of the institution and by those who had remained in control until the year 1919. He formulated a new programme, renouncing certain items which appeared unsuccessful and superfluous, and substituting for them certain others plainly aggressive in their character. He determined to establish non-co-operation in every village throughout India; he planned to organize an Indian National Service, and to raise a "Tilak Swaraj Fund" to finance all these activities. In connection with this last enterprise, it may be observed that the association of the late Mr. Tilak's name with a campaign which on his very death-bed he had condemned, was an adroit attempt to conciliate the clear-thinking Maratha nationalists, who had hitherto manifested no great faith in soul-force. An era of almost volcanic activity ensued. One of the most significant characteristics of Mr. Gandhi's 1921 exertions was the organization of a body known as the National Volunteers, which embraced both the old Congress Volunteers, whose function had previously been confined to various kinds of semi-social service; and the newly organised Volunteers raised by the Khilafat Committee, who had from the first assumed a more militant appearance. The fusion of these two bodies, though not entirely complete, into a single organisation, resulted in placing at the disposal of local congress leaders a body of men, young, enthusiastic and hot-headed, who were vigorous in enforcing with scanty respect to the proviso of non-violence, such orders as were received in the matter of hartals, social boycott and intimidation. Before the year 1921 had come to an end most of the volunteers were in receipt of payment whether regular or occasional, and the body had developed into a disorderly and dangerous, if technically unarmed, militia for the enforcement of the decrees of the Congress Working Committee, which had been established to direct from day to day the details of the campaign against Government. It was the existence of these volunteers in numbers hitherto unprecedented, and their employment for the furtherance of certain items in the non-co-operation programme, which gave the movement a character progressively more anarchic and more dangerous to established order as the year 1921 proceeded.

The "National Volunteers."

As early as November 1920 Government had found it desirable to explain beyond the possibility of doubt their attitude towards non-co-operation. In face of

Government's Policy.

this extraordinary campaign, throughout all its phases, the policy of the administration was entirely consistent and ultimately successful. While Government did not regard non-co-operation as constitutional, they determined to institute no proceedings against those of its promoters who advocated abstention from violence. They did not distrust their own powers of coping with it; but they believed it necessary to carry with them in any steps they took the approval or at least the acquiescence of Indian opinion. They knew that the movement was largely engendered and sustained in the case of the Hindus by national aspirations and in the case of the Muhammadans by religious feeling. They realised that in the changed position of India under the new constitution, it was impossible to embark upon a campaign of repression, which if effective, would have intensified racial hatred, paralysed the liberals and nullified the Montagu-Chelmsford Reforms. Their policy had both a negative and a positive aspect. On the negative side, vigorous action was taken under the ordinary law against those who by speech or writing attempted to incite the public to violence or the Forces to disaffection. Local Governments were impressed with the necessity of keeping the closest watch upon the growth of unrest among the masses; of enforcing general respect for the law; and of prosecuting persons guilty of seditious speeches. They were also encouraged to enquire into all complaints of oppression by the non-co-operators; to promise protection to peaceful citizens and to form strong battalions of armed police. Action was taken against newspapers publishing seditious articles, while pamphlets and leaflets inciting to disaffection were confiscated. On the positive side the authorities trusted both to the enactment of such remedial measures as would remove legitimate political, agrarian and industrial grievances, and to the organization of counter propaganda. It was however made clear throughout that more vigorous measures against the non-co-operation movement could only be postponed so long as moderate citizens were successful in keeping its dangers within bounds.

The Reformed Constitution.

Time was soon to show that Government had not overestimated the effect of the reformed constitution of India as a corrective to the non-co-operation movement. From the beginning of 1921, the solid work achieved in the present and the great promise to be expected in the future, became more and more obvious. The success of the new councils, contrasting so cruelly with the disastrous confusion and chaos following upon the track of non-co-operation, gradually convinced all

those who could still think sanely of the magnitude of the mistake perpetrated by Mr. Gandhi. In the inauguration of the constitution the Royal House of Windsor played a noble part. As substitute for His Royal Highness the Prince of Wales, the Duke of Connaught accomplished in India a work which no one but a son of the Great Queen could have performed. Everywhere he emphasised the privileges, the opportunities, the responsibilities, which the beginning of the new era signified to the country; appealing with touching earnestness to Indians and Europeans alike for sobriety, harmony and co-operation. His appeal did not pass unheard. In the provinces, work of a solid type was soon manifest. Before long, those who had taken upon themselves the burden of working the new constitution realised that the responsibilities now vested in the provincial legislatures were real and serious. In the central legislature, the non-official members revealed a growing sense of sobriety and of statesmanship. The atmosphere of trust and co-operation for which the Duke of Connaught had appealed was realised in the Councils with astonishing speed; and one of the earliest achievements of the new central legislature was to remove much of the bitterness remaining as a heritage from the Punjab tragedy. A frank and fair discussion, without acrimony on either side revealed at once the sincerity and earnestness of the Government's desire to assuage the feelings of Indians; and the generous response of the Assembly, on Government's assurance that, so far as human foresight could avail, any repetition would be for ever impossible, to the Duke of Connaught's appeal to let bygones be bygones and to sink the whole lamentable affair in oblivion. The result of this historic debate initiated by Mr. Jamnadas Dwarkadas was gradually to remove the Punjab grievance as a living issue from the realm of practical politics. Mr. Gandhi, it is true, did not dare at the moment to drop this item from his programme, but he was compelled to give it the very form which he had himself on earlier occasions most strongly condemned, namely the demand for executive vengeance upon, as opposed to judicial punishment, of the impugned officials; and for the forfeiture of the pensions of General Dyer and Sir Michael O'Dwyer. Even there he was unable for long to sustain it in the public eye; and before the end of the period we are now reviewing, the "Punjab question" had passed into the region of things which, if not forgotten, were remembered rather with sorrow than with acerbity. Nor was the other work performed in this first session of the central legislature less remarkable.

The Central Legislature.

Co-operation and its Results.

The extensive financial powers secured under the new constitution were consolidated by the election of Standing Committees for Public Accounts and for Finance. Committees with effective Indian majorities were appointed to examine the Press Act and certain laws commonly described as repressive with a view to their early removal from the Statute Book. The appointment of a Commission to examine the whole question of the tariff was a natural sequel to the pronouncement of the Joint Committee of Parliament on the subject of India's autonomy in fiscal matters. The policy of the administration towards non-co-operation, the exchange situation, the report of food-stuffs, the Khilafat movement and other questions of the day was elicited and approved by the legislature, as a result of debates upon these important matters.

Results of Non-Co-operation.

While the new constitution was thus early displaying practical results of a most remarkable kind, the movement of non-co-operation continued to advance through delirium to disorder. We have already noticed in previous chapters the lamentable effects of the attack upon the educational system of the country; but even more immediately formidable was the gradual inoculation of the Indian masses with a contempt for constituted authority. The resulting disturbances have been described in some detail in the Statement for the years 1921-22; and it is here sufficient to say that within twelve months there were no fewer than 60 outbreaks of disorder of varying seriousness in different parts of India. The members of the volunteer organizations spread themselves over the countryside. Economic unrest rapidly assumed a dangerous form when provided with the nucleus constituted by enthusiastic and vituperative political preachers. Muhammadan feeling rose to unprecedented heights, and remained unassuaged by the constant efforts of the Government of India to press their views on His Majesty's Government, in the direction of a revision of the Treaty of Sevres. Over the whole of this restless activity Mr. Gandhi threw the cloak of his personal reputation and of his insistence upon non-violence. In March 1921, apparently in answer to those who complained of the purely negative character of his activities, he put forward a new programme, proposing to concentrate all his resources for the next three months upon collecting as much money as possible, upon removing the curses of untouchability and alcoholism, and upon inducing every Indian home to practise hand-spinning and weaving. To the extreme consternation of many of his followers, he made the old-fashioned spinning wheel at once the

mascot of his movement and the key to India's freedom. As a result of pressure from various quarters, he was at length persuaded to reverse his previous denunciation of boycott, in favour of a campaign for the destruction of foreign cloth. This resulted in the adhesion to his movement of a certain proportion of the Indian mill interests, with a consequent augmentation of the Tilak Swaraj Fund. But already by middle of 1921, Mr. Gandhi was finding difficulty in controlling certain sections of his followers. As a result of the temporary concurrence of forces normally divergent, he had been able to achieve a working unity between the Hindu and the Muslim communities, overwhelming their deep and age-old antagonisms by concentrating their gaze upon a single fact, the magic of opposition to constituted authority. But despite his attempts to gloss over all differences by preaching the gospel of Hindu Muslim unity, a large section of the Hindus was being steadily alienated from the non-co-operation movement by the manifest intolerance and pan-Islamic ambitions of its extreme Mussalman supporters; while many of his Muslim followers were becoming impatient at his reiterated assurances of the necessity of non-violence, and at the apparent futility of his efforts to secure the solution of their religious grievance. In these circumstances, he redoubled his efforts. When the nature of certain speeches delivered by the Ali Brothers rendered it impossible for Government to hold their hand longer, he took the remarkable step of presenting himself before the Viceroy. As a result, the Ali Brothers published an apology regretting that any passages in their speeches were capable of bearing the interpretation of an incitement to violence and giving a public assurance that they would abstain from the advocacy of violence in the future. This struck a severe blow at their reputation for *intransigence* and Mr. Gandhi's reputation for consistency. At the same time the fact that he had been accorded an interview with Lord Reading, and had apparently been successful—even at the price of the apology—in warding off an impending prosecution, added considerably to his own prestige among the less sophisticated of his followers. During the remaining months of the summer he and his lieutenants continued to preach without ceasing the virtues of the spinning wheel, the satanic character of foreign cloth, and the evils of indulgence in drink. In all three directions his campaign was marked by an intolerance which in the long run hindered rather than helped the causes he had at heart. The attempt to boycott foreign cloth led to frequent breaches of the peace and intolerable intimida-

Mr. Gandhi's Progress.

His Difficulties.

tion; the spinning-wheel campaign, while it made home-spun fashionable among the upper classes, did little to achieve its professed object; the effect of the campaign against drink was, as is pointed out elsewhere in this statement, to discourage the use of licit sources of supply and to place a premium upon smuggling and home-brewing. These effects were not perceptible at the moment, at least to non-co-operators; who found full satisfaction for their love of excitement and "self-expression" in the fresh activities constantly being suggested by Mr. Gandhi. All efforts were shortly concentrated upon the collection of ten million rupees for the Tilak Swaraj Fund, and at the end of July, amidst overwhelming enthusiasm it was announced that the desired sum of money had been raised. Quite apart from the impetus gained from this spectacular success, the effect of the monetary backing which he thus acquired was considerable. There shortly followed an immense accession of numbers to the National Volunteers and a great stimulus to the more aggressive forms of their activity. Mr. Gandhi then announced that he would concentrate all his efforts upon the boycott of foreign cloth, which was to be completely achieved before September 30th when Swaraj would be realised. He continued to ascribe mystic virtues to the spinning wheel, even advocating, as a solution of the North-West Frontier problem, its introduction among the warlike and predatory Border tribes.

Diverse Activities.

But while these activities continued to fill the public eye, the stern facts of human psychology continued to postpone indefinitely the realisation of a regenerated India. Month by month the tale of anarchy and disorder went forward. Riots in Bombay, Assam, Madras, Bengal and the United Provinces occurred in quick succession. In these circumstances the temper of the non-co-operators grew more and more truculent; the frenzied excitement aroused by the Greek offensive against Angora causing the extreme section of Khilafat opinion to throw prudence to the winds. At the Khilafat Conference held at Karachi, the Ali Brothers indulged in a violence of speech which exceeded all their previous efforts, and to their own undoing called upon Muhammadan soldiers in the Army to desert, alleging that military service under the present Government was religiously unlawful. This step finally exhausted the patience of a long-suffering administration, and after the interval necessary for the examination of the evidence, the two brothers with certain of their adherents were tried and condemned to imprisonment in accordance with the law of the land.

Gathering Clouds.

Civil Disobedience.

At this particular period, Mr. Gandhi's main difficulty was caused by his own extraordinary success. Already he had gone beyond the Congress mandate, and had substituted for his former plan of passive resistance a new weapon which he entitled "civil disobedience". This implied, not merely abstention from co-operation with Government, but active opposition, by all non-violent means, to the personnel, institutions and "non-moral" laws of the administration. Its employment was to be the ultimate means of compelling the authorities to surrender; its super-mundane efficacy was constantly proclaimed; and its introduction was only to be delayed until the realisation of a "non-violent atmosphere" rendered its triumph possible without damage to Mr. Gandhi's ideals. In this weapon his followers professed the completest confidence. In certain provinces the non-co-operators supposed they had already broken the power of Government. They insistently demanded that civil disobedience to constituted authority should at once be proclaimed; and that a national structure of administration should be erected in readiness for the coming of Swaraj. In the face of these demands Mr. Gandhi maintained with commendable consistency his determination to proceed with this programme only in so far as he believed that the country had been educated to the principle of non-violence.

Non-Violence Belied.

That he imagined such a consummation would shortly be realised appears certain. He was to have a terrible awakening. In August 1921 there burst forth in Malabar the terrible Moplah outbreak. A poor and ignorant population of fanatical Muhammadans, inspired by an excitement which spread speedily from mosque to mosque, declared a Khilafat Raj and rose in open rebellion against Government. But the main brunt of their ferocity was borne by the luckless Hindus who constitute the majority of the surrounding population. Massacres, forcible conversions, desecration of temples, foul outrages upon women, pillage, arson and destruction—in short, all the accompaniments of brutal and unrestrained barbarism, were perpetrated freely until such time as the troops could be hurried to the task of restoring order throughout a difficult and extensive tract of country. When the first natural incredulity at the seriousness of the outbreak was once overcome, a wave of horrified feeling spread among Hindus of every shade of opinion throughout Southern India, which was intensified when certain Khilafat leaders actually passed resolutions congratulating the Moplahs on the brave fight they were conducting for the sake of religion. Mr. Gandhi's endeavours to

conciliate Hindu opinion by explanations, denials, and censure of the authorities, did little to bridge the widening gulf between the two communities. Sane and sober opinion all over the country pointed to the conditions in Malabar as a foretaste of Swaraj, and as a practical example of the dangers inherent in the non-co-operation campaign. None the less Mr. Gandhi persisted in his course, and brushed aside the outbreak as a mere incident. In this he made a grievous miscalculation, for, as will later be apparent, the atrocities of Malabar were among the causes directly responsible for the break up of the Hindu-Muslim understanding upon which his movement principally relied for its strength. In the same month, as fate decreed, he made another mistake which was to exercise serious effects in the future. This was the publication of a fiat to his followers that if His Royal Highness the Prince of Wales should come to India, the non-co-operators were to boycott all functions arranged in his honour.

Achievements of the Reforms.

While Mr. Gandhi was thus covering the land with confusion and embarking upon lines of action which were destined ultimately to ensure the collapse of his movement, the reformed constitution was working harmoniously and well. If only the political atmosphere of India had not been so surcharged with excitement, it must have been evident to every intelligent man that the new legislatures were providing a plain and open road to the achievement of India's advance. All through the summer of 1921 ample evidence was afforded of the desire of the administration to work the reforms with a right good will. In the provinces, Englishmen and Indians, Ministers and Executive Councillors, laboured strenuously to the common good, while the non-official majorities in the new councils employed their power, some incidents apart, with a growing sense of responsibility. In the sphere of the Central Government, the achievements were of a most substantial character. The committees of officials and non-officials appointed to examine the Press Acts and Repressive Legislation produced in due season Reports which were a sufficient earnest of the possibilities of the new Reforms. In other directions also the first session of the central legislature had led to results full of promise for the future. A Territorial organization was started for different parts of India and Burma; a scheme was initiated for the training of Indian lads for Sandhurst in an Indian Military College; arrangements for the projected Fiscal Commission were well advanced. The tale of progress was continued in the September Session of the central legislature. As a result of the

Resolution of a non-official Member, Mr. Samarth, Government agreed to appoint a Committee to see what amendments could be made in the provisions of the Criminal Procedure Code which distinguished between Indians and Europeans in the matter of criminal trials. Government agreed that Indians should be given opportunities of becoming qualified for responsible positions in the Imperial Secretariat. Further constitutional advance was debated; and much useful legislation was undertaken. The whole atmosphere of the legislature and the solid character of the work which it was accomplishing stood in remarkable contrast to the dangers and futility of the non-co-operation campaign.

Mr. Gandhi's Zenith.

The damage which non-co-operation was inflicting upon the best interests of India was already becoming apparent. Racial feeling increased to such a degree that the position of Government officials—particularly British officials—became in certain localities almost unbearable. Defiance of constituted authority was plainly on the increase; and the spirit of disorder was spreading. This was not restrained by the prosecution of the Ali Brothers; although their conviction and imprisonment, without the slightest popular demonstration, was a blow to the hopes of that section of opinion which was losing its faith in the shibboleth of non-violence. As the year drew to a close the non-co-operators girded up their loins for a final effort. At the beginning of November the All-India Congress Committee authorized preparations for the commencement of civil disobedience, subject to the fulfilment of certain conditions, of which the most important were the guarantee of a non-violent atmosphere and—curious juxtaposition—the complete boycott of foreign cloth. It was agreed that the Bardoli Taluq in Gujerat should begin mass civil disobedience on November 23rd under Mr. Gandhi's personal direction. The activities of the party redoubled. The number of Khilafat and Congress meetings rose to unprecedented heights, and a steady stream of inflammatory oratory was poured forth. Hostility to Government increased, aggravating the tendency towards general lawlessness. The Volunteer movement became more formidable; intimidation was freely practised, and the police were molested in the exercise of their duties. On the day when His Royal Highness the Prince of Wales landed, serious rioting broke out. In Bombay, the disorders lasted for nearly three days, as a result of which the total casualty list amounted to 53 killed and approximately 400 wounded. Throughout Calcutta and the principle towns of northern India there was a general cessation of business, produced in the majority of cases by undisguised

and open intimidation on the part of National Volunteers. The terrorism practised by these bodies was widespread, organised and simultaneous.

First Postponement.

Mr. Gandhi's hopes for a non-violent atmosphere accordingly suffered a crushing defeat. He suspended his intention of starting civil disobedience on November 23rd at Bardoli; and announced his determination to concentrate upon the production of the peaceful spirit which he desired. Indeed, his embarrassingly candid pronouncement aroused the resentment of those of his followers who shared neither his high ideals nor his altruistic motives. He had however gone too far. It was obvious that the proviso controlling the abstention of Government from active interference with the course of the non-co-operation movement was no longer operative. The administration therefore determined to supplement their previous policy by employing for the defence of society certain Acts conferring extraordinary powers upon the executive. Local Governments were accordingly informed that for the purpose of checking the increasing volume of inflammatory speeches, the application of the Seditious Meetings Act to any district in which it was considered necessary would be sanctioned. They were also instructed that the provisions of part II of the Criminal Law Amendment Act of 1908 should be employed for combating the illegal activities of the Volunteer associations, whose drilling, picketting and intimidation were threatening the peace of the country. From this time forward a steadily increasing pressure was exerted upon those forms of non-co-operation activity which were directed towards the effacement of law and order. In the course which they had thus adopted, Government enjoyed the support of large sections of society which had hitherto remained comparatively unmoved by political activities; and general relief was expressed when Lord Reading publicly announced the determination of his Government to spare no effort to protect peaceful and law abiding citizens against violence, coercion and intimidation. At the same time the wisdom of the policy previously observed became amply apparent, when it was seen that the first consequence of the action taken by the Government was the arrest of a number of persons who were believed by many Indians to be animated only by disinterested patriotism. It soon became evident that if Government were to carry with themselves in their anti-non-co-operation activities the support of any considerable section of Indian opinion, direct action could only be employed with the utmost caution. Accordingly the Administration resolved to allow the Liberal

Government's Rejoinder.

A Delicate Situation.

Party to experience for themselves that bankruptcy of reason and statemanship which distinguished the extreme section of the non-co-operators. Every effort was made to show that Government were not embarking upon a policy of indiscriminate arrest and vindictive severity; and were anxious only to protect society from those activities of non-co-operation which constituted a direct menace to peace and order. When certain of the Liberals displayed a great anxiety to arrange a compromise between Government and Mr. Gandhi, by means of a round table conference, it was the latter who displayed himself utterly unreasonable. The movement for a rapprochement thereupon broke down; and Mr. Gandhi in the next meeting of the Indian National Congress proceeded to formulate resolutions of a type even more dangerous than those which he had previously put forward. He determined to extend Volunteer organizations, and to devote all his energies to the organization of civil disobedience, which he defined as the deliberate and wilful breach of state-made non-moral laws, for the purpose of diminishing the authority, or overthrowing, the State. He began to resume once more the thread of his former activities and to revive the preparation for civil disobedience at Bardoli. But there were not wanting ominous signs of a disruption of his party. The more extreme Khilafatists were frankly voicing their dissatisfaction at the utter failure of the non-co-operation campaign to advance the cause of Turkey. There were those, even among the ranks of staunch non-co-operators, who compared the steady and earnest representations made by the Government of India on behalf of Muslim sentiment with Mr. Gandhi's fruitless and ill directed activities. Nor was it the faith of the Khilafatists only in the programme which was severely shaken. Swaraj had not been realised, despite successive postponements of the date of its arrival; and the passage of December 31st, 1922, without the introduction of the millennium, marked the beginning of the decline of Mr. Gandhi's influence among the unlettered masses. In contrast with the failure of non-co-operation to realise the expectations of its begetters, the writing on the wall was already foreshadowing the triumph of the forces which it had set out to destroy. Government were stronger than ever; the Volunteer movement was steadily succumbing to the pressure of the authorities; the stream of seditious eloquence, both from press and platform, was diminishing to insignificant proportions. More disastrous still, was the failure of Mr. Gandhi to gauge the realities of the political situation. He underestimated alike

Mr. Gandhi's credit suffers.

His Miscalculations.

the strength of the Administration and the damage which his own movement had suffered in the public eye from its many failures to redeem confident prophecies, notably the prophecy concerning swaraj. This became patent when, in the middle of January, a number of politicians outside the Congress ranks once more attempted to arrange a basis for a conference between the non-co-operators and the Government. But Mr. Gandhi showed himself uncompromising. Oblivious to his real weakness, he addressed an ultimatum to Government, declaring that a campaign of civil disobedience had been forced upon his party in order to secure the elementary rights of free speech, free association and free press—rights which the position he was even then occupying proved him to have exploited continuously, and enjoyed without intermission, from the very outset of his movement. In the issue of this ultimatum he probably reckoned on detaching the Liberals from Government. But the counter-manifesto published by the Administration recapitulated in a convincing manner the circumstances which had necessitated the adoption of comprehensive and drastic measures against certain of the non-co-operation activities; concluding with a solemn warning that mass civil disobedience if adopted, would be met with measures of sternness and severity. Mr. Gandhi's position became more difficult than ever. He had failed to overawe Government into accepting his terms; the Liberal party showed no signs of abandoning their attitude; his Volunteer organisation was crumbling. Although his followers had succeeded in a few places in marring the unanimity of the heartiness with which His Royal Highness the Prince of Wales was welcomed, it was perfectly plain that they had utterly failed to interfere with the success of the Royal tour.

Mr. Gandhi, driven to his last resource, was on the point of launching the civil disobedience campaign, when there occurred at Chauri Chaura in the United Provinces on February 4th, 1922, the deliberate murder of 21 policemen and rural watchmen by a mob of Volunteers and infuriated peasantry. The consequences were momentous, and utterly fatal to his plans. That Mr. Gandhi was perhaps not unwilling to seize this excuse to postpone the preparations for civil disobedience may be suspected. Outrages as serious as that of Chauri Chaura had occurred several times in the preceding 12 months, without in the least affecting his programme. But on this occasion he took a step which would seem to show that he had always regarded civil disobedience as dangerous, and now knew it to be hopeless. At a meeting of the Working Committee

The Second postponement.

held at Bardoli on the 11th and 12th February 1922, he sounded the death knell of the whole non-co-operation movement. He suspended mass civil disobedience forthwith and instructed his followers to abandon every preparation of an offensive nature. He commanded Congress organizations to stop all activities designed to court arrest and imprisonment, all volunteer processions, all public meetings designed to defy the notifications prohibiting them. For the future, the activities of his followers were to be confined to a " constructive programme," upon the accomplishment of which any further advance would depend. They were to devote their energies to the enlistment of 10 million members for the Indian National Congress ; to the popularization of the spinning wheel and home-spun cloth ; to the organization of national schools ; to the salvation of the depressed classes ; to the organization of the temperance campaign on less tumultuous and exciting lines ; and to the formation of village and town arbitration committees for the private settlement of disputes.

It may be questioned whether of all Mr. Gandhi's miscalculations, the announcement of the Bardoli Resolutions was not the greatest.

Its staggering consequences.

From this moment onwards may be traced among the best of his followers a marked decline of confidence in his leadership. His personality commanded all the old reverence, but his wisdom in matter political was henceforward openly and boldly questioned. Had it not been for the fact that religious feeling among Indian Mussalmans on the question of the Khilafat was still high, the whole non-co-operation party might well have dissolved into chaos. Fierce internal dissensions broke out between those who saw in Mr. Gandhi's latest pronouncement a confession of complete failure, and those who were convinced that it was only necessary to persevere under his guidance until all his aims were realised. At this moment, the Government of India took a step which went far to weaken the principal prop upon which what was left of Mr. Gandhi's power still rested. With the concurrence of the local Governments and administrations they laid before His Majesty's Government their conviction of the intensity of feeling in India regarding the Treaty of Sevres. In particular, they urged, subject to certain safeguards, the evacuation of Constantinople ; the suzerainty of the Sultan over the Holy Places, the restoration to Turkey of Ottoman Thrace including Adrianople and Smyrna. The publication of this representation produced a great effect upon Muslim opinion, for it strengthened the suspicion, which had long been growing in the minds of the coolest-

headed representatives of the Khilafat party, that there was more to be gained by supporting Government in its honest efforts than by adhering to the hitherto infructuous schemes of Mr. Gandhi. This struck the final blow to his political as opposed to his personal prestige. He had already lost the support of many of his followers by his refusal to persist in mass civil disobedience. He had forfeited the fickle trust of the lower classes by his failure to secure swaraj on the date when they understood him to have promised it. He had brought his movement into marked discredit with many persons by his ill judged and infructuous attempt to mar the harmony of the Royal visit. He had convinced the upper classes of the dangers to law and order inherent in his appeals to popular passion and prejudice. When the all-India Congress Committee met at Delhi to confirm the Bardoli Resolutions, his personal ascendancy even over his immediate followers was severely taxed. He was indeed successful in securing the confirmation of the Bardoli ban against mass civil disobedience ; but he was compelled to accept the position that individual civil disobedience, whether defensive or aggressive, might still be commenced by permission of the Provincial Congress Committee. Moreover individual civil disobedience was now defined in a manner which made the distinction between individual and mass civil disobedience of little practical moment.

Mr. Gandhi arrested.

The implication of the Delhi resolutions was obvious. Mr. Gandhi's control over the non-co-operation movement was no longer what it once had been. Plainly mass civil disobedience was only postponed ; it had not been repudiated. No one could say when Mr. Gandhi's hand might be forced by the more impetuous section of his followers. In these circumstances, the Administration decided to order his arrest, which took place on March 10th, 1922. This step had long been contemplated, but had been postponed from time to time for various reasons. There had been a natural reluctance to incarcerate a man who was widely respected ; who had consistently preached the gospel of non-violence, and done all that he could to restrain the more impatient of his followers from embarking upon forcible methods. What precipitated the arrest was the realization that he might be driven shortly to undertake a campaign of mass civil disobedience which would cost the country dear : what gave it its psychological value was the fact that a substantial body of Indian opinion was now prepared to support measures against him. His political reputation was at its nadir ; the enthusiasm of his followers had reached the lowest ebb. Further, the publication of the Government of India's

memorandum, which went so far to conciliate Muslim sentiment; and the quickly following resignation of the Rt. Hon. E. S. Montagu, served to engross public attention. Mr. Gandhi's trial passed off with complete tranquillity; and his removal from the sphere which he had so long dominated produced neither disturbance nor resentment. It was remarked by many as symptomatic of his weakened hold over the masses, that the Holi festival, which is not celebrated by Hindus when they are in mourning, suffered no interruption throughout India owing to the incarceration of the Mahatma.

Causes of the decline of Non-Co-operation.

During the early summer of 1922, the non-co-operation movement was in a position weaker than any which it had occupied since its triumphant inception. This condition of affairs was the consequence of a number of contributory causes which we have already examined and may now proceed to summarise. In the first place, the fact that the visit of His Royal Highness the Prince of Wales, despite the whole force of non-co-operation, achieved in many spheres a remarkable success, came of itself as a shock to those who believed that the non-co-operators spoke for India. Moreover, the Prince's personality exercised an astonishing influence upon the whole situation. His keen interest in democratic institutions; his gracious replies to the addresses of welcome presented to him by the Legislative Councils Central and Provincial; his interviews with Indian Ministers and members of Council, combined to give a considerable impetus to the Reforms. Further, many substantial elements of society received additional encouragement in their loyalty; while serving soldiers and army pensioners were greatly strengthened in their devotion to the Royal House by his spontaneous and kindly interest. Around his personality there rallied the deepest feelings of the real India; the powerlessness of the non-co-operators effectively to mar any item of His Royal Highness' programme, together with the outrageous conduct to which certain sections of them were driven in their despair, convinced many people who had previously been wavering between Government and non-co-operation as to where the real strength lay.

1. The Royal Tour.

In the next place, the steady growth in the reputation of the new Councils was already persuading many thoughtful men that the non-co-operation movement was on the wrong track. The Delhi session of the Central Legislature in particular was a notable one. The Press Act of 1910, the repeal of which had been an object of interest to educated India for several years,

2. Success of the Reforms.

was removed from the Statute Book. No fewer than 23 Acts and Regulations supplementing the ordinary Criminal Law, including the "Rowlatt Act," were also repealed. A Resolution for associating Standing Committees with certain Departments of the Government of India, for the purpose of enabling non-officials to acquire administrative experience, was successfully carried. Resolutions to accelerate the recruitment of Indians for the all-India services were brought forward and sympathetically received by Government. More important than all as testimony to the influence of the new legislature, was the official announcement that speedy and effective measures were to be taken for the retrenchment of Central expenditure. A beginning was soon made. In the proposed taxation for 1922-23, the Legislative Assembly carried reductions to the extent of nearly Rs. 10 crores. The Government's decision not to employ its emergency powers for the restoration of the excised items, pending a full investigation into the possibilities and retrenchment, added greatly to the prestige of the Legislature and produced a profound political effect. The fact that an Assembly which was securing these triumphs gave steady support to the policy of the executive both in regard to the non-co-operation movement and to the Khilafat agitation, constituted a very serious blow to the cause of the non-co-operators.

3. Aggressive Activities Decline.

A third factor which was contributing substantially to the decline of non-co-operation movement was the failure of its followers to make good their boast of bringing Government to its knees. Enforcement of the law against those who had challenged its supremacy, continued without intermission. In areas where attempts had been made to refuse payment either of land revenue, of local taxes, or of the cost of punitive police, collections went steadily on. Several dangerous movements which had sporadically grown up, collapsed before the determination of the authorities to suppress all tendency to anarchy. Nowhere was this more evident, and nowhere was the triumph of law and order more notable than in the case of the Punjab. In last year's statement we noticed that the condition of this province had caused anxiety to Government. The occurrences of 1919 had left a painful legacy of bitterness, and to this had been added a serious agitation among the Sikh community. As we said, the "new" or reforming party had been for sometime dissatisfied with the management of numerous shrines, which for long years had been controlled by resident Abbots. The reformers alleged

Notably in the Punjab.

that these Mahants were guilty of malversation and evil living; the old fashioned conservative party regarded the reformers as inspired only by a desire for plunder. Into this quarrel, primarily domestic to the Sikh community, the emissaries of non-co-operation had penetrated, with the result that the new Sikhs, and particularly the Akali Jathas—bands of volunteers forming the most militant section of the reformers—became strongly anti-Government and even revolutionary in their outlook. They organised themselves into disciplined companies and began to occupy shrines by a process of mass pressure. Inevitably bloody quarrels broke out. Of these the most serious was the terrible tragedy of Nankana Sahib, in which a Hindu abbot had massacred a band of Akalis who designed to eject him from his great and wealthy shrine. The upshot was the growth of a general feeling against the whole class of Mahants, in consequence of which the Akali movement spread rapidly among the Sikhs. Excitement rose; and the reforming party gradually acquired mastery over the Sikh mind. The local Government had no desire to obstruct the reformation of the shrines, an end indeed in which it fully sympathised. But it could not allow incumbents in lawful possession to be ejected by persons who took their stand, not upon the law, but upon their superiority in material force. It was perfectly open to the reforming Sikhs to investigate the conduct of all Mahants in accordance with the provisions of the law; and to replace any incumbents whose conduct was found after enquiry to be unsatisfactory. This they disdained to do, preferring to rely upon religious enthusiasm and the process of "rabbling." Government accordingly found it necessary to give police protection to certain abbots who asked for it; whereupon a widespread and powerful propaganda was launched throughout the Sikh community, with the object of identifying Government with the cause of obstruction and accusing the authorities of interference in a religious question. Government went as far as possible to meet the wishes of the reforming party; but could not, pending the decision of a Court of Law, abdicate its primary function of protecting individuals in the enjoyment of property of which they had long been possessed. Efforts were made to introduce legislation to simplify enquiries into malversation on the part of the abbots; but the dominant faction of the Sikh community under the leadership of the Sriromani Gurdwara Prabandhak Committee, being largely influenced by non-co-operation had no real desire to arrive at an understanding. Meanwhile, bands of Akalis terrorised certain districts in the Punjab, marching in military

Where Sikh troubles had been serious.

formation, brandishing weapons, travelling by train without tickets and generally intimidating all with whom they came into contact. Early in the year 1922, however, the local Government took vigorous measures against these disturbers of the peace. Ringleaders were arrested; bands of fanatics disarmed; law and order enforced. The wild talk in which a section of the Sikhs had previously indulged as to the seizing not merely of the shrines, but also of the whole Punjab, and thereafter reviving the Sikh Empire of Maharaja Ranjit Singh, became less fashionable; and while, as we shall see, the religious aspect of the question remained to cause future trouble, the political anarchism which under the cloak of non-co-operation had begun to invade the Punjab encountered a severe reverse.

4. Lack of Leadership and confused counsels.

Last but not least among the causes leading to the decline of non-co-operation in the early summer of 1922, must be reckoned the circumstances amidst which Mr. Gandhi had been removed from its direction. His was the personality which had for long overshadowed the whole campaign, dwarfing all lesser leaders, and striving to unite for the moment the divergent aims and incompatible ambitions of various sections of his followers. His incarceration left the movement headless at a time when his guidance was essential to its continuance. For non-co-operation was in the position of a Bank which has closed its doors. It had not redeemed its promise to the Nationalists in the matter of Swaraj; to the Muhammadans in the matter of the Khilafat; or to the masses by an inauguration of the Golden Age. This was not the worst. The severest blow which the movement received, had been struck by its originator. The course of action laid down at Bardoli, even when modified by the Delhi resolutions, was of such a nature that it could have proved a popular battle-cry only under Mr. Gandhi's guidance. None but he could have moved the masses by a programme whose principal items were the production of homespun, the removal of untouchability and the prosecution of national education. Apart from the fact that he had fast bound the movement in fetters which only he could loose; the entire Bardoli pronouncement had come as a thunderbolt to the most vigorous and aggressive section of his followers. The changes made at Delhi, which gave the Provincial Congress Committees authority to declare a modified civil disobedience, did indeed leave a loophole for enthusiasm; but this loophole was soon blocked by a decision of the Working

Discouragement and Uncertainty.

Committee that the local bodies were only to use their power with the utmost caution. As a result of this seemingly indefinite postponement of mass civil disobedience, the most active protagonists of non-co-operation underwent severe searchings of heart. How long was the period of preparation to endure ? What guarantee was there that, after a lengthy and protracted interval of unexciting self-discipline, the militant measures which every enthusiast had in view would not again be postponed, suddenly and indefinitely, as they had been postponed at Bardoli ? It was this attitude of mind which more than anything else accounts for the decline of the non-co-operation campaign during the summer and autumn 1922. For, as was subsequently admitted in the Civil Disobedience Enquiry Report, there was a want of adequate faith in the " Constructive programme " even among those who had been Mr. Gandhi's principal henchmen. This was particularly marked among certain sections of the Khilafat Party. With their faith in non-co-operation shaken, and their conviction of Government's sympathy confirmed, they were in no mood to support a campaign which embodied an idealism rather Hindu than Muslim.

Signs of Discomfiture.

The combination of the circumstances here briefly recounted was instrumental in inflicting upon the non-co-operation movement a crushing tactical defeat. In the months that followed the arrest of Mr. Gandhi this became apparent to the most superficial observer. The disorders which had been so serious throughout the year 1921 were noticeably absent ; there was a decline both in the numbers and in the importance of political meetings. The Volunteer movement collapsed, since many of its most enthusiastic supporters had been stricken to the heart by the Bardoli Resolutions. Further, the hartals or universal shop-shutting in sign of excitement or of mourning, which had been of almost weekly occurrence up and down India during 1921, virtually disappeared during the period we are now reviewing. More significant even than these symptoms of popular apathy and declining enthusiasm, was a tendency on the part of the non-co-operators to abandon specific items of their programme. As 1922 drew on, an increasing number of those lawyers who had resigned their practice, made their appearance once more in the courts. The temperance campaign which had been waged with so much destructive enthusiasm and so little positive result, declined notably in vehemence. Almost simultaneously with Mr. Gandhi's arrest foreign cloth began once more to recapture its popularity and to regain its sales. Large numbers of students who in unbalanced enthusiasm had thrown up

their studies and embarked either upon political activity or upon the pursuit of such education as the "national" schools could give them, lost heart, bewailed the neglect of their interests by the non-co-operators, and returned to Government institutions. Beyond question, the transition to normalcy was immensely assisted by an excellent spring harvest, which caused the prices of food-stuffs to fall and brought contentment to the masses. In short, it is difficult to imagine a more dramatic contrast between the political atmospheres characterising respectively the early summer of 1922, and the late autumn of 1921. The great movement which had seemed on the point of razing the very foundations of law and order, had dissolved within a few short months into a welter of conflicting interests and divided counsels.

Disunion.

Some few leaders of non-co-operation did, indeed, labour valiantly to obey the behests of their vanished leader and to unite his now scattered following in pursuit of the constructive programme. In meetings of the Congress and the Khilafat Committees it was agreed to pursue the period of preparation until June, when the situation would once more be reconsidered. But serious disunity soon became apparent. Apart from the growing gulf between Muhammadans and Hindus, differences began to arise between the old Nationalists and the new Gandhists. Maharashtra, still under the influence of Tilak, had never taken kindly to non-co-operation, and had from the first regarded the boycott of the Councils as a mistake. Virile Maratha leaders soon raised their voice against the constructive programme, and demanded modifications such as would provide at once some outlet for enthusiasm and some prospect of immediate advancement. In the Central Provinces, a Sub-Committee of the local Congress organization recommended the abandonment of the boycott of courts and councils; a declaration that mass civil disobedience was impossible; and active preparation for contesting the next elections. Similar manifestations were noticed both in Berar and in Bengal. Local leaders who in the time of Mr. Gandhi's strength had bowed their better judgment to his behest, began to voice the doubts which they had long cherished as to the wisdom of his political programme. They saw that the new legislatures were enjoying a substantial share of power. They realised that the Montagu-Chelmsford Reforms, even if they did not give India all that she claimed, constituted a powerful lever for national advancement. They also realised that the practical success of the reformed constitution had made the pursuit of the old non-co-operation programme at once impossible and infructuous.

Mr. Gandhi's Dead-Hand.

None the less, so great was the power of Mr. Gandhi's name, that many of the most revered leaders of Indian nationalism were still unprepared to depart from his final injunctions. When in June a meeting of the Congress and Khilafat Committees took place in Lucknow, it was agreed by the majority of those present that the constructive programme must be pursued. Work was to be pushed on in such a way as to complete the period of preparation before the end of the year. A Committee was to tour the country to revive popular enthusiasm, and to report upon the possibility of Civil Disobedience. But it was plain from the proceedings of this meeting that the non-co-operation movement was losing its fighting unity. Ominously enough, not a single delegate from Maharashtra attended. Provincial jealousies were marked, and personal ambitions began to raise their head. It was, moreover, a significant commentary upon the condition of the country that several local Governments found it possible about this time to withdraw the Seditious Meetings Act from operation, and even to remove the ban placed upon Volunteer organizations. But an even more striking testimony to the weakness of the non-co-operation movement; and to the apathy with which it was now regarded by many persons, is shown by its failure to derive much profit from two occurrences of a kind which barely six months back would have provided it with new and invaluable battle cries.

The Services.

The first of these occasions arose in connection with the Imperial Services. For some time the present position, and future prospects of European officers in India, has been a cause of considerable anxiety, not merely to the Administration but also to important sections of British opinion. It must be admitted that nothing can be more inevitable and legitimate than the desire of Indians that the Services should be manned by men of their own race; and this natural sentiment has of late been reinforced by financial considerations. The scales of pay which must be sanctioned if Britons are to be obtained for service in India, are inevitably higher than those which would be necessary if the services were largely manned by Indians on an Indian basic rate of pay. The demand for a more rapid Indianization of the services had from the first been pressed with much insistence in the Legislature; growing financial difficulties lent force to that demand, together with a substantial recognition in many quarters that the process would have to be accompanied by a readjustment of the pay of the Indian Services on a more economical basis than is now in force. At present a large majority of the members of each

of the all-India services are European; and the cadre of recruitment is divided proportionately in such a manner as to allow for a gradual increase of the Indian element. In the Indian Civil Service, for example, recruitment has been so arranged since 1920 as to provide that Indians shall constitute a proportion beginning at 33 per cent. and rising to 48 per cent. of the new entrants. In other services the proportion of Indians among new recruits is as high as 50 per cent. But the Legislatures have emphasized the fact that in the Indian Civil Service the present proportion of Indians is still only 14 per cent.; and though owing to the war, the increase of Indian recruitment in this and other services has been more rapid than was contemplated when the proportions mentioned were laid down, the rate of progress was still criticized as unduly slow. But while from the point of view of Indian national aspirations, the rate at which Indians were being recruited for the all-India services was tedious and unsatisfactory, yet from the standpoint both of the Government and of influential sections of English opinion, circumstances were such as to indicate a danger lest the services should decline both in status and in efficiency. For the last three years in particular, the recruitment of Europeans has presented considerable difficulties. In

The old position.

the old days, one of the principal inducements for able Englishmen to adopt an Indian career was the unique position which the conditions of work implied. Unlike other countries, where the permanent officials were controlled by Ministers, India's administrators not merely executed a policy: they also initiated it. For many years the Indian Civil Service was not merely an Administration; it was also a Government. As will readily be understood, the combination of great power, unusual freedom, and full scope for the best talents of heart and head, constituted a great attraction to some of the ablest products of the British Universities. But after the inauguration of the Reforms and the operation of the policy laid down by the Declaration of August 20th, it was plain that these conditions could not survive unaltered. Many people believed that the position of the higher administrative services in India would in time

The New.

be assimilated more and more to that of the permanent Civil Service in other countries; that is to say, the officers would become trusted advisers and capable agents of Indian politicians who themselves would determine the broad lines of national policy. Together with the prospect of these altered conditions, there were other circumstances which tended to minimise the attractions of service. The greatly increased cost of living during

the War and post-War years has operated to diminish if not to remove entirely the financial advantages of an Indian career. More powerful still has been the general uncertainty as to what the immediate future would bring to the English administrator in India,—an uncertainty aggravated by the depressing atmosphere of racial hatred which had begun to surround even those who were devoting themselves most wholeheartedly to the interests of their adopted country. The result of all these factors was a serious shortage in suitable European candidates for the various services. This shortage, combined with the plain desire of the Central Legislature that steps should be taken to secure an increased recruitment of Indians, induced the Government of India, with the consent of the Secretary of State, to consult local Governments on the issues involved. Accordingly a letter, which subsequently became famous as the "O'Donnell Circular", was issued at the end of May 1922. This document reviewed, and invited the opinion of the Provincial Governments upon, the various considerations involved in the question of Indianization in order that the Government of India might consider the whole position. The letter which had not been written for publication, was given to the world through journalistic enterprise; and at once certain sections of opinion, both in England and in India, began to accuse the Indian Government of betraying the cause of the Europeans in the services, and of jettisoning, for political considerations, the responsibilities which Great Britain still retains for the welfare of the people of India. This agitation, together with the existing anxiety regarding the future of the services, led Mr. Lloyd George to deliver a speech early in August, in which he declared that the Civil Services of India were the steel frame of the whole structure of administration. He stated that the constitutional changes recently made in India were the result of an experiment; that he could not predict the influence which non-co-operation would exert upon the next elections; and that if there was a change in the character of the Legislature and in the purpose of those who were chosen to sit therein, the new situation would have to be taken into account. He declared that His Majesty's Government would stand to their responsibilities in India, and would take whatever steps were necessary to discharge or to enforce them. He further went on to say that he could see no period when India could dispense with the guidance and the assistance of a nucleus of the British Civil Services. The continued assistance of British Officials was, he said, necessary to

The O'Donnell Circular.

The "Steel Frame" Speech.

bring about the discharge of Britain's great trust in India; and it was not in order to relinquish this trust, but to bring India into partnership in its discharge, that the Reforms had been introduced.

Effects of the Speech.

Even in the House of Commons, at the time of the delivery of the speech, some apprehensions were felt lest its terms should be misunderstood as implying a doubt as to the policy of the Reform Scheme; and Lord Winterton, the Under Secretary of State for India, judged it advisable to give an unqualified denial to the suggestion that there had been any threat to withdraw the Reforms. In India, as might be expected, a storm of criticism was aroused; genuine anxiety was expressed, particularly by those who had co-operated most heartily with Government in working the new constitution, at what were mistakenly regarded as the Prime Minister's successive contradictions of the Declaration of August 20, of various Royal Proclamations, and of the solemn assurances of many British statesmen. In particular was resentment expressed at Mr. Lloyd George's assertion that he could see no period when India could dispense with the guidance and assistance of the British Civil Services. This was regarded at tantamount to a denial of the basic principle of responsible government. Immediate efforts were made by the Government of India to allay the growth of feeling on the subject; and His Excellency the Viceroy obtained from Mr. Lloyd George a clear authorization that nothing in the speech was intended to conflict with, or to indicate any departure from, the policy announced in the former declarations and in His Majesty's Proclamation. Lord Reading's assurances, while they went far to assuage the suspicions which had been roused, did not for some time completely remove them; and the temporary discouragement suffered by the Liberal Party, who were identified most closely with the Reforms, might in other circumstances have given the non-co-operators an excellent opening. Such was their own situation, however, that they failed to make any good use of it.

Punjab Situation.

The second of the two occasions which might well have afforded them a new opportunity occurred early in September. Although the situation in the Punjab had been relieved, by measures taken for the restoration of order causes for anxiety still persisted through the summer of 1922. The reforming party abandoned for the nonce their tactics of mass pressure, and did their best to come to terms with individual Mahants or heads of

Shrines, in order to secure control over the administration of these institutions. Most of these Mahants, it must be remembered, possessed a strong local following, and although some of them were by no means estimable persons, they were not regarded with abhorrence by those who lived in immediate contact with them. None the less so strong was the hold which the reformers had acquired over the Sikh Community as a whole, that many Mahants were more or less forcibly persuaded to transfer their shrine to the administration of the Sriromani Gurdwara Parbhandak Committee. Among these shrines was that of Guru-ka-Bagh, situated about ten miles from Amritsar city. The Akalis had for some time been in possession of the shrine proper, while the Mahant continued in possession of the residential house, the garden and the land; for the agricultural portions of which he continued to pay land revenue. Early in August, some Akalis serving at the shrine cut down a tree on the land. The Mahant complained to the Police, and the Akalis were arrested and sent for trial. More trees were cut down; fresh complaints were made to the district authorities, and a detachment of police was sent to protect the Mahant. The Sriromani Gurdwara Prabandhak Committee took up the challenge; and Akalis began to concentrate on Guru-ka-Bagh. The continued influx of these bands, who were becoming a source of embarrassment alike to the public and district authorities, led to the placing of Police pickets along the roads leading to Guru-ka-Bagh so that parties, as they arrived, might be turned back. The bands were treated as unlawful assemblies, since their object was undoubtedly to take forcible possession of private property; and they were stopped at different points and directed to disperse. They refused to obey the order, and advanced upon the police pickets, whereupon they were dispersed by force. As each member of a *Jatha*, before setting out upon this enterprise, had taken an oath of non-violence, no resistance was made to the efforts of the police. The spectacle of the forcible dispersal of a number of people, who, although they advanced into contact with the police cordons, made no effort to defend themselves from the batons of the constables, shortly aroused considerable excitement in the neighbourhood. Exaggerated stories of wounding, assault and indefensible behaviour on the part of the police inevitably followed; but their general falsity is shown by the fact that not a single fatality occurred as a result of the dispersals, while the number of authenticated cases of really serious injury was insignificant. That the Akali bands displayed remarkable self-control may be freely acknowledged; but

The Guru-ka-Bagh Affair.

while this fact was emphasized and indeed praised to the skies as a triumph of Gandhism in various sections of the Indian press, scarcely a word of commendation was given to the remarkable good temper and excellent discipline shown by the police in the discharge of their peculiarly unpleasant duty. Throughout the Sikh community, as can readily be understood, these incidents excited much feeling; and those who had received injuries at the hands of the police became popular heroes and martyrs for the faith. But among the other communities in the Punjab the Guru-ka-Bagh affair did not arouse very much interest; and there were no symptoms of popular disturbance. To this the fact that certain sections of the Sikhs had lately behaved in a high-handed manner, and had made themselves obnoxious both to Hindus and to Muhammadans prior to the summer of 1922, was probably a contributory cause. For while sympathy was freely expressed, no section of opinion showed any disposition to range itself actively besides the Akalis in their struggle with the forces of law. Before long, the local Government found it desirable to abandon the forcible dispersion of Akali Jathas, and instead to arrest individual members. The excitement thereupon gradually died down, and in November 1922, a public-spirited individual obtained from the Mahant a lease of the land which had given rise to the dispute and himself made no objection to the Akalis cutting wood thereon. While the forcible dispersals were being continued, a fresh attempt was made to rally popular enthusiasm to the side of the non-co-operators. This however produced comparatively little effect; first because vigorous steps were taken to make the real facts of the matter known to the general public; and, secondly, because the Sikh community, with its militant traditions and martial outlook, is often suspected by members of less masterful creeds of an ambition to dominate and to overbear. Further, a good monsoon, and excellent autumn crops produced a further fall in prices, and with the continual reduction of economic pressure popular interest in political matters showed no signs of reawakening.

The Simla Session.

When the Central Legislature met in Simla for its September session it gave further proof of the success of the reforms. A step of considerable constitutional importance was the appointment of Advisory Committees elected by the Assembly to associate themselves with the work of the various Departments of the Government of India. Great activity was displayed in such practical matters as proposals for the compensation of workmen, for improvement of conditions among mine workers, for increased faci-

lities for the third class travelling public; and for other matters of similar utility. Nor was more dramatic interest lacking. The implications of Mr. Lloyd George's speech on the services were debated at length, and the Assembly certainly voiced the feelings of the educated classes in the country when it placed on record its grave concern at the tenor of the Premier's pronouncement. After an influential deputation had waited upon His Excellency the Viceroy, and secured from him the assurance of which mention has already been made, the suspicion and alarm previously aroused by the speech gradually passed away. Another instance of the manner in which the central legislature voiced feeling widely prevalent is to be found in connection with a Bill projected by Government to prevent the dissemination of books, newspapers, etc., containing matter calculated to excite disaffection against the Princes or Chiefs of States in India. In the opinion of Government this measure became necessary after the repeal of the Press Laws, on account of the Treaties existing with the Indian States. It may be mentioned that the Committee appointed to consider the Press Laws of British India had found it unnecessary to recommend legislation of this particular character, but had at the same time not closed the door to it in future. A meeting of the Chamber of Princes having requested special protection for the Indian States to replace that taken from them by the repeal of the relevant provision in the Press Act, Government considered that they were pledged in honour to accord it. But the Legislative Assembly voiced the view prevailing among the educated classes of British India, and vigorously opposed any measure of special protection. The members took the unprecedented course of refusing leave for the introduction of the Bill. This refusal provided the occasion for the first exercise by the Governor-General of the extraordinary powers allotted to him by the Government of India Act. He certified that the Bill was essential for the interests of British India; and recommended it to be passed in the form in which it was presented. It was passed by the Council of State; and despite efforts to secure a compromise with the Legislative Assembly, the measure was compelled to continue on its course without the assent of that House. The incident excited considerable criticism; but certain sections of opinion realised that in view of the refusal of the Assembly to allow the introduction of the Bill, Lord Reading had no alternative but to adopt the course just described.

The "Princes, Protection Bill."

First exercise of Power of Certification.

Condition of Non-co-operation.

At this time, the non-co-operation movement was at an extremely low ebb. The constructive programme had contrived to lose such small enthusiasm as it had once attracted. It was indeed in a moribund condition. The spinning wheel had declined in popularity; the temperance campaign had almost come to an end; very few arbitration courts established by non-co-operators were functioning; and the conduct of some of these sufficed to bring this item of the programme into disrepute. Further, national education had failed to realise the hopes of its designers; and bitter complaints were received from disillusioned students who had sacrificed all prospects of a career at the bidding of Mr. Gandhi. They protested that no reasonable provision had been made for their education; that they had been thrown overboard and sacrificed; that school after school and institution after institution which had been set up with hopes so high had collapsed from sheer apathy and lack of support. The failure of the constructive programme was not the only drawback under which non-co-operators at this time laboured. There were signs of a serious increase of communal dissen-

Communal Dissensions.

sions in their ranks. As we have seen, the advanced sections both of Hindu and of Muhammadan political opinion had been temporarily combined upon a common platform. The fact that this platform was in practice, if not in theory one of racial hatred against the British, made it intrinsically insecure. From early in the year 1922, as we have noticed, certain sections of the Muhammadans had begun to feel that the non-co-operation movement was futile. They had made great sacrifices for it; in many cases they had borne the brunt of its conflict with the forces of law and order. But it seemed that their community was deriving no advantage therefrom. The Turkish question still remained unsolved; and worse still, they were beginning to feel that its solution could not come even through the success of the prescribed programme. To this general dissatisfaction there had been gradually added during the course of the year 1922 a number of aggravating circumstances. Hindu feeling had been deeply stirred over the Malabar rising; and in many parts of India, Hindu preachers were denouncing the forcible conversions and other atrocities perpetrated by the Moplahs in terms which aroused the resentment of followers of Islam. Particularly in southern India was the bitterness between the two communities very marked. In an attempt to throw the blame on some third party—for choice Government—the Congress had appointed a Committee to investigate the

causes of the Moplah rebellion. But a number of influential Hindu residents in Malabar promptly dissociated themselves from its activities, bluntly stating that the direct cause of the rebellion was Khilafat propaganda. Further, throughout the Punjab, Hindu and Muslim interests took opposing standpoints upon the future administration of the North-West Frontier Province. This opposition was accentuated by a tendency among those Hindus and Mussalmans who were not non-co-operators to dispute with one another concerning the loaves and fishes of office ; in illustration of which may be mentioned an attempt on the part of the Hindu members of a certain local legislature to pass a vote of censure upon a Muhammadan Minister. Since any clash of interests between Hindus and Mussalmans is considerably more vital than the transitory division between co-operators and non-co-operators, this cleavage on communal lines, even in the ranks of co-operators, served greatly to weaken the boasted Hindu-Muslim unity in the anti-Government camp. Among the other causes leading to the growth of communal dissensions throughout the autumn of 1922, mention must be made of the stout fight which the Government of India had for some time been conducting on behalf of Muslim aspirations in the matter of the Turkish settlement. The opinion gradually spread among the Mussalman community that Government were doing far more for the satisfaction of their legitimate desires than the whole non-co-operation movement has been able to achieve. Fresh material for dissension was provided by the news of the victorious advance of Mustapha Kamal Pasha at the end of August and at the beginning of September. While the Muhammadans were jubilant and saw in the military triumph of a revived Turkey the promise that their religious aspirations would be realised, the Hindus displayed a general coldness. Indeed in certain sections of their press, alarm was voiced at the apparent renaissance of militant Islam ; and the old fear, lest the Muhammadans should look to " Swords beyond the passes " for the re-establishment of Muhammadan supremacy in India, began once more to raise its head. But since Muhammadan elation gradually became merged in a feeling of anxiety as to the attitude of the Allies, Hindu-Musalman unity in the non-co-operation ranks soon received a slight fillip. It was, however, noticeable that while bitter attacks were levelled both in the press and from the platform against the policy which Great Britain was believed to be pursuing, there was a remarkable absence of animus against the Government of India, whose

Hindu-Muslim Unity Suffers.

The Turkish Victories.

championship of Muhammadan religious susceptibilities was at this time clearly realised. With the fall of Mr. Lloyd George's Government, the success of the Mudania agreement, and the commencement of the Laussanne conference, Hindu-Muslim unity once more underwent a severe strain. For old communal jealousies among the masses had lately revived. The Muharram celebrations had been attended by serious riots both in Bengal and in the Punjab. In the latter province in particular, communal feeling at Multan reached very serious heights; and although thanks to the efforts of the district authorities, the casualty list was comparatively small, a great deal of damage was done to property. More serious than the actual occurrence was the legacy of bitterness which was left—a bitterness which in the locality of Multan itself has not yet passed away even at the time of writing. Strenuous efforts were made by Congress leaders to reconcile the two communities; and prominent politicians toured up and down India delivering emphatic warnings as to the danger which beset the nationalist movement from these lamentable divisions. But the structure so painfully erected by Mr. Gandhi had crumbled hopelessly beneath the stresses we have already recounted; and towards the close of the year 1922, the difficulty of maintaining even the semblance of an agreement between the political sections of Hindus and Musalmans was becoming apparent.

Muharram Riots.

A further serious blow to the non-co-operation movement resulted from the enquiry undertaken into the possibility of proclaiming civil disobedience. Many enthusiastic politicians looked for an authoritative and intelligible lead as to their future course of action. They were bitterly disappointed. The Congress leaders who conducted the investigation, while unanimous in their agreement that mass civil disobedience was quite impossible throughout the country at large, were evenly divided on the question whether members of the Congress organization should or should not contest the next elections and enter the councils. We have already noticed on an earlier page the growing tendency among various sections of Mr. Gandhi's followers to revolt against the boycott of the new Legislatures. During the year 1922, the power and influence of these sections steadily increased; and although the rank and file of Congressmen considered themselves bound to abide by the Mahatma's decision, the party which favoured change included a number of the most eminent politicians in the whole non-co-operation campaign. Among these leaders there was, it is true, an attempt to

The Civil Disobedience Enquiry.

preserve the appearance of consistency with Mr. Gandhi's behests, by a representation that entrance to the councils was to be a mere preliminary to wrecking them; and this view was prominently presented by the section of the Civil Disobedience Enquiry Committee which favoured an alteration in the original programme. It is open to question whether the plan was ever intended to do more than gild a pill known to be unpalatable. That a split would ultimately occur in the Congress ranks on this very matter of council entry had been apparent from the early months of 1922; but thanks to strenuous endeavours for preserving the appearance of unity, no patent cleavage had up to this time made itself obvious. With the publication of the report of the Enquiry Committee in November, disagreement could no longer be concealed; and the traditional weakness of divided councils threw a shadow of gloom over the Congress camp. A little later, it is true, the parallel committee appointed by the Khilafat party reported predominantly in favour of continuing the council boycott; but such effect as this second report might have exerted in the direction of influencing Muslim opinion, was largely discounted by the fact that several prominent leaders of the community were known to favour council-entry. The All-India Congress Committee, to whom the Report dealing with Civil Disobedience was first presented, failed to come to any conclusion upon it despite five days' heated discussion; and the only agreement which emerged was a decision to refer the whole matter to the full meeting of the Congress.

Council-Entry or Boycott?

The opposing parties within the non-co-operation camp began to range themselves for the approaching struggle. The principal protagonists of council-entry were Pandit Moti Lal Nehru, the well-known Allahabad leader; and Mr. C. R. Das, an equally famous representative of educated Bengal. Both these gentlemen, it may be remarked, are lawyers of eminence, who prior to their entry into the non-co-operation movement, had enjoyed all the wealth and esteem which leading practice in the Indian Courts never fails to bring to the privileged few. They had both made considerable sacrifices in the cause of non-co-operation; they had both been imprisoned for opposition to the orders of Government. Associated with them were a number of eminent Muhammadan leaders, among whom may particularly be mentioned Hakim Ajmal Khan. They also enjoyed the support of the "intellectuals" among the Congressmen in various parts of the country; notably in Maharashtra, where many politicians welcomed the possibilities of reversing what they had all along seen

Opposing Parties.

to be the disastrous item of council boycott. The opponents of the pro-council party constituted the rank and file of the Congress members, who were still imbued with a pathetic faith in the infallibility of Mr. Gandhi, and, despite the heart-sickness of hope deferred, clung to their belief in mass civil disobedience, in the triumph of non-co-operation and in the approaching inauguration of the Golden Age. In this party were ranged, under the banner of such trusted leaders as Dr. Ansari and Mr. Rajagopalachariar, a predominant number of the younger and more enthusiastic men, whose uncompromising idealism and open worship of the Mahatma's personality, prevented them from perceiving the lamentable failure of the non-co-operation programme.

The Gaya Congress.

Both parties were confident, the first of ultimate, the second of immediate, victory. The elections of Congress delegates in various parts of the country were attended with considerable excitement which in certain places culminated in actual disturbance. In the event, there were returned to the Gaya Congress a majority of delegates pledged to support the old programme, in opposition to any attempts at modification. It was remarked in certain quarters that in many cases the delegates so selected were not of the intellectual calibre normally associated with the annual meeting of the great Congress machine. This was perhaps a natural consequence of the fact that the elections had been determined rather by the views than by the personality of the competitors. But the effect at Gaya was curious. Even before the meeting, there had been a tendency for the more experienced and possibly more intellectual leaders to range themselves upon the side of Council entry, while their opponents counted less upon reasoned arguments than upon youth, enthusiasm, and loyalty to the Mahatma. While it would be a mistake to suppose that brains were on one side and numbers on the other, yet there was certainly a tendency for the two sections of the Congress camp to group themselves into what may be roughly described as the party of reason and the party of enthusiasm. Matters were somewhat complicated by the fact that both Mr. Das and Mr. Nehru, who were the chief protagonists of council entry, were high office-bearers in the Congress organization. Mr. Das indeed was President of the Gaya session. In these circumstances it might have seemed that the pro-change party would have enjoyed a decided advantage. But this was more than off-set by the numbers and by the temper of their opponents. When the Congress met, it was obvious that the influence of Mr. Gandhi was still predominant. His pronouncements were carefully searched in the Subjects

Committee; and no resolution which in any way ran counter to them had a chance of success. The President of the Congress made a determined effort to secure the acceptance of a motion which would have allowed Congress members to stand for election, subject to certain safeguards. But in this attempt he and his party were decisively defeated. The majority of the Congress endorsed the boycott of the Councils, the boycott of educational institutions and the boycott of law courts. In other words, they determined to abide by the original programme, obvious of the fact that it had already brought them into a *cul-de-sac*. Almost the only successful resolution which presented any novelty was a repudiation of the financial authority of the Legislature, and a notification that on the attainment of Swaraj the Congress party would not hold themselves bound to discharge any liabilities incurred after December 1922. The unbending attitude of the majority delegates in the Congress was to some extent due to the fact that the parallel Khilafat organisation at Gaya had fallen greatly under the influence of the Assembly of strictly conservative Muslim divines known as the Jamiat-ul-Ulema. As this religious synod had already published a *Fatwa* declaring that entry into the Reformed councils was illegal for orthodox Mussalmans, they naturally received with a studied refusal any suggestion of the reversal of their former decision. At the same time there were not wanting sections of Muslim opinion who found in this situation a further cause for grievance against the Hindus; arguing that while the Hindus had virtually left themselves free to enter the councils any time they might desire to rescind Mr. Gandhi's prohibition, the Mussalmans had been entrapped into formulating a religious and presumably permanent obstacle to the acquisition of place and power under the new constitution.

Congress dominated by Gandhism.

The differences which emerged at Gaya between the minority and the majority party were too grave to be glossed over; and Messrs. C. R. Das, Moti Lal Nehru, and Ajmal Khan, together with certain other prominent leaders, announced on the 1st January 1923 that they had constituted a new Khilafat-Swaraja Party, within the Congress, for the conversion of their opponents to a change in the non-co-operation programme, and for the attainment of Swaraj on the lines laid down in Mr. Das's recent pronouncements. In these speeches, it may be mentioned, Mr. Das had adopted an attitude far more socialistic than that generally found in the addresses of Indian political leaders. He had announced

Congress-Khilafat-Swaraj Party.

that Swaraj must be for the masses and not for the classes only ; and he had declared that the most urgent step, in the present political situation of India, was to rally labour to the support of the national cause. Sentiments such as these had excited considerable discussion among the educated classes ; and there was a tendency in some quarters to accuse Mr. Das of a leaning towards Bolshevism. But while in these speeches and still more in the programme outlined shortly after the Congress, there were distinct traces of Soviet theory as opposed to Soviet practice, there is no reason to conclude that Mr. Das and his party desired to coquet with proletariat dictatorship. That class consciousness is growing in India no one can deny ; and it is obviously the part of long-sighted politicians to range this class-consciousness so far as may be upon their own side. As Mr. Das' group began to develop an entity and an independence of its own, there became apparent a tendency to lay stress upon the organization of labour and upon the enlistment of the sympathies of the masses in the cause of its political programme. This programme when published, contemplated a division of the country into administrative areas controlled by local, district, provincial, and all-Indian Councils. Its main features were a maximum of local autonomy and a minimum of control by higher centres, all the councils being staffed by elected representatives " seeking the welfare of the public." Each lower area was to make contributions to the next higher area ; and state factories were to be for the advancement of industry. At the same time it was clearly laid down that private property was to be recognised and maintained, and that the growth of individual wealth permitted.

The Programme of Mr. C. R. Das.

The formation of this party within the Congress, with its separate personalities and its separate programme, came as a great shock to non-co-operating opinion generally. The differences between the pro-council and the no-change party had passed beyond a stage when further concealment was possible ; but desperate efforts were made to disguise the real significance of the schism. The majority party of the Congress had passed a resolution calling upon local Congress Committees to take early measures for the collection of Rs. 25 lakhs, for the enrolment of 50,000 volunteers and for the strengthening of the national organisation, before the 30th April 1923. But the disputes and the differences between the old and the new parties shortly attained dimensions which seemed likely to prevent any concentration upon the task in view. It was ultimately found possible to arrive at an agreement by which propaganda on the

The two Parties.

question of entering or boycotting the Councils was to be suspended until the end of April, in order that the attention of the workers should not be distracted from the collection of the men and the money required. But so much time and enthusiasm was expended by each party in opposing the other, and at so low an ebb were the non-co-operation forces generally, that up to the moment of writing, it is clear that no considerable progress has been achieved in the realization of the appointed end.

National Liberal Federation.

The proceedings of the National Liberal Federation which held its meeting at Nagpur at the end of December, present a striking contrast to the confusion at Gaya. The Rt. Hon. Srinivasa Sastri in his presidential address carefully eschewed all idealistic schemes of Swaraj, confining himself to the defects, as seen by Indian eyes, of the new constitution; and upon the methods by which those defects could be removed. He put forward a strong case in favour of the increasing Indianization of the various services; he pleaded the cause of Indians overseas; and he urged that the transitory structure of administration set up by the Montagu-Chelmsford Reforms should be replaced at an early date by something more logical, more workable and more in harmony with Indian aspirations. At the same time, he called upon his party to organise itself more vigorously; to direct particular attention to the education of the electorate; and to raise a general fund for propaganda and electioneering purposes. The resolutions which were passed were equally pointed and equally practical. They dealt with the need for rapid political advance; for the increasing freedom of the Government of India from the control of the Secretary of State; and they referred to the danger to the British Empire inherent in the treatment meted out to Indian Nationals in certain of the King's Overseas Dominions. The attitude of the members of the party towards non-co-operation was forcibly expressed by the President: "So long as they will proclaim war on the established government, talk openly of revolution, inculcate disloyalty and rash political action and send about the country a committee of men of influence with the express object of finding out the prospects of a campaign of civil disobedience, we must sternly disapprove and stoutly oppose." Their attitude towards Government was declared with equal frankness. "Our business is to promote our country's welfare, to enlarge her political status through the present constitution, to secure her ordered progress and, compatible with these aims but not otherwise, to support Government. If Government officials go beyond the necessities of the case and became indis-

criminate in repressive measures threatening to stifle the very spirit of agitation, we will not hesitate to condemn their action."

This attitude was abundantly illustrated in the ensuing meeting of the central legislature. The budget session of 1923, as has been noticed in a previous chapter, proved to be the most important and in some ways the most critical which has hitherto taken place under the Reformed constitution. Two recent occurrences caused considerable concern to the majority of elected members. The first was the announcement that a Royal Commission was to be appointed to investigate the condition of the public services, and the second was the publication of a despatch from the Secretary of State, wherein, replying to the opinion expressed in the Legislative Assembly Resolution of September 1921, he had declared that the short experience of the working of the new constitution did not warrant the assumption that the time was ripe for further constitutional advance. The non-official members of the Legislature expressed their dissatisfaction in no uncertain voice upon both these topics. They were greatly disappointed at the postponement of change in the Government of India Act, for they considered that every year of the present transitional regime was attended by increased dangers to the real interests of the country. In regard to the Royal Commission on the Public Services they feared that India would be called upon to meet a bill for the improved pay and prospects of her European officers: and they were not appeased even by the announcement that possibilities of further "Indianization" were inherent in the scope of the Commission, which embraced an examination into the working of the new system in its effect on the services, and into the best methods of securing the recruitment of such numbers of Indians and Europeans as might be decided for the future to be necessary. On the other hand, the Legislature during this session reaped a rich harvest in certain directions dear to the hearts of educated India. As a result of the recommendations of the Fiscal Commission, Government accepted the principle that the fiscal policy of the country, subject to certain necessary safeguards, might be directed to the fostering of industrial development, and that a Tariff Board should be erected to advise for this end. The Administration further agreed that while refusing definitely to close the door to company management in the future they would take over the management of the East Indian and the Great Indian Peninsula lines when their contracts fell in, and

The Delhi Session 1923.

The Royal Commission; The Reforms Despatch.

Fiscal Policy.

thereby meet to some extent the wide-spread demand among the Indian intelligentia that the principle of state management should be accepted for the Indian Railways. Shortly afterwards the Legislature secured the removal of a very old grievance, by amending the Criminal Procedure Code in such a way as to obliterate the most important distinctions between the trials of Indian and of European subjects of the King. This very important piece of legislation, known colloquially as the Racial Distinctions Bill, was founded on the Report of a Committee arising out of Mr. Samarth's motion in the session of September 1921. The Committee, presided over by Dr. (now Sir) Tej Bahadur Sapru, embraced representatives of both European and Indian interests. Thanks to the skilful guidance of the President, and of Sir William Vincent, the then Home Member; as well as to the generous spirit of compromise which distinguished the European and Indian representatives, its labours were completely successful. The legislation based upon the Report was essentially of the nature of a compromise, to which both the Indian and the European communities contributed certain sacrifices. The voice of criticism was naturally raised in several quarters; but the better minds agreed in welcoming an agreement which seemed to open a new era in the relations between Indians and Europeans in India. The passage of the Bill through the Assembly was a great triumph for liberal opinion on both sides; Sir Malcolm Hailey, the new Home Member in charge of the measure, received many congratulations; and general regret was expressed that neither Sir Tej Bahadur Sapru nor Sir William Vincent, who had retired from Membership of the Viceroy's Council, was present to reap the fruits of his toil. In another direction also, the Legislature saw tangible evidence of increasing influence upon the course of administration. As is noticed elsewhere, His Excellency the Commander-in-Chief took the opportunity of a debate in the Assembly on the question of Indianizing the Commissioned Ranks of the Army, to announce that it had been decided to set aside eight specific units for "Indianization," in order that the proposed policy might be given a fair trial.

Railway Management.

Racial Distinctions.

On a previous page we have described the steps taken by the Government of India to give effect to the reiterated demand of the Legislature for economy in the Central revenues, and the retrenchment which followed upon the investigations of Lord Inchcape's Committee. The triumph of the Assembly in securing the adjustment of revenue and expenditure some-

The Finance Bill.

what lost its savour during the final stages of the Finance Bill. As has been pointed out, the failure of the Administration and of the Assembly to agree upon an alternative to the enhanced salt duty as a means of bridging the small gap still unclosed between receipts and disbursements, resulted in the certification, for reasons explained in His Excellency the Viceroy's pronouncement, of the higher figure. The majority of the Assembly had resolutely set their faces against this impost, and their reasons were deeply intermixed with the political conditions of India. The salt tax has from its early days been unpopular; the agitation against it dating back almost for twenty years. The objections to it, though mainly sentimental, are none the less real to those who entertain them. Little attempt was made to dispute the accuracy of Government's assertion that the burden upon each individual and even each family was extraordinarily small; but in the eyes of the Assembly the salt tax, the incidence of which extended to the poorest of the poor, was *per se* distasteful. Apart from any question of compunction which they might have had in adding to the burden of the classes sunk in poverty, the majority of members had naturally to consider the question of their own approaching election. They urged that the imposition of the enhanced duty would place a premium upon non-co-operation; and they felt that if they consented to it, their position in the eyes of their constituents would be gone for ever. These considerations naturally weighed with most of the elected representatives; and overbore in their minds the cogent considerations which, as we said in another chapter, were put forward by Government. It is to be remarked that the opposition to the enhancement did not proceed from Indians alone, but was emphatically voiced by certain representatives of the European community, notably Sir Montagu Webb and Mr. E. D. Sassoon. Indeed, the cleavage was not along racial lines at all; for when, after its passage through the Council of State, the Finance Bill came back to the Assembly, the voting figures, which were 47 and 58, showed that Government was not without support even among the Indian non-officials.

The Salt Tax.

The restoration of the clause by His Excellency the Viceroy in accordance with his Statutory Powers, was received with alarm and indignation both by many non-official members of the Central Legislature and by the Liberal Party generally. There was a disposition in the heat of the moment to discount all that had been gained under the Reformed Constitution; and to represent Lord Reading's act as a

Certification and its Results.

proof that the " old autocratic system " still persisted. Indignation meetings were held in various parts of the country, at which members of the legislature emphatically voiced their disappointment at the attitude of Government and their fear lest after all the reforms might be a delusion. These sentiments found little echo among the masses, and it seems likely that those who believed the enhanced impost on salt would constitute a messenger of revolution, had failed to reckon with the widened margin of subsistence between falling prices and steady wages. It is not difficult, of course, in answer to the fears of members of the Assembly, to point to the substantial achievements of the new constitution—achievements far too solid to result from anything which could be called a " sham." The mere fact that the legislature has succeeded within two years in repealing the Press Acts and many " repressive laws ; " in altering the Fiscal policy ; in removing Racial Distinctions in Criminal Trials ; in securing effective retrenchment ; in opening the way for the nationalization of the Railways ; for the Indianization of the Army ; and for the creation of a Territorial force ; is a sufficient answer to those who still exhibit mistrust of the intentions of Great Britain. At the same time it is easy to understand the feelings of the majority of the elected members of the Assembly, when they perceived that their solid opposition to the salt tax was outweighed by purely administrative considerations. That a session so full of achievement should have terminated in a rupture of the harmony between Government and the legislature must be a cause of sincere regret ; but such an occurrence may fairly be regarded as a not unnatural concomitant of the present transitional polity, wherein the central legislature has great voting-power but no final responsibility : so that the Executive may at any time be driven back upon the exceptional provisions inserted in the Constitution for the prevention of deadlocks.

Up to the moment of writing the principal consequence of Lord Reading's certification of the Finance Bill has been to promote among members of the Assembly and others who believe in constitutional progress, a demand for a rapid revision of the constitution. Even before the salt tax controversy had commenced, a notable attempt was made by Mrs. Besant, whose remarkable energy and courage show no signs of flagging, to rally in support of a constructive programme all those shades of Indian opinion which believe in advance by constitutional means. A conference was convened at Delhi under the presidency of Sir Tej Bahadur Sapru—who had just relinquished charge of the Legislative portfolio of the

Mrs. Besant's Conference.

Governor General's Council—to discuss a programme for the achievement by India of self-governing status within the Empire. Resolutions were passed advocating the introduction at an early date of full autonomy in the provinces; and the transfer to the Central Legislature of responsibility in regard to civil departments. The Conference generally considered that the control of the Army and of Foreign policy should be retained in the hands of the Governor General for the present. The Conference appointed sub-committees to investigate and report upon the working of the Reforms, and in particular, upon the directions in which the existing Government of India Act could be amended to bring Dominon Status; upon the question of India's defence; and the problems connected therewith; upon the Indianization of the services; and upon certain less important topics. The outline of a constitution was sketched, in which the executive both of the central and of the provincial Governments might be made responsible to the legislature; while the control of the Navy and the Army should remain under the Viceroy until such time as India could safely take responsibility for these Departments. The Conference then broke up, and preparations have since been made to secure, by a standing organisation, the progress of the ideas by which its members were animated.

Had the non-co-operation party been possessed of anything like its former vigour, it is quite possible that the certification of the salt tax might have provided it with a fresh lease of life. But during the first three months of the year 1923, the dissensions we have already noticed in this camp became more than ever apparent. There was in the first place the radical division in outlook between the minority and the majority parties. But far more paralysing even than this disunion, were the communal differences which grew steadily more acute. The Hindus naturally felt but little anxiety regarding the upshot of the Lausanne conference, the Vaticanization of the Khilafate, and other kindred matters which were exercising the minds of Indian Mussalmans during this period. Further, advanced Hindu opinion could scarcely sympathise with the growing rapprochement between Indian Muslims and the administration, due to the belief of many Mussalmans that the Government of India and His Majesty's Government were genuinely anxious for the restoration of the old cordial relations with the Turkish Empire. As if to aggravate these causes of dissension, there occurred between January and March 1923 a series of unfortunate incidents. We have already noticed the Muharram outbreak at Multan and the

Fresh Communal Dissension.

legacy of bitterness which it left. Despite the efforts both of the local authorities and of various Congress leaders, the relations between the two communities in that city have continued very strained; and the effects of such a state of affairs have made themselves manifest far beyond the immediate locality. In February there occurred a regrettable Hindu-Muslim riot at Wadhwan, in an Indian State on the Bombay side. This further increased the general bitterness. More dangerous still was the feeling which arose over the efforts of the Arya Samaj to reclaim to Hinduism a community known as the Malkana Rajputs, which has for some centuries accepted the creed rather than the customs of Islam. In the Agra and Muttra districts, Hindu and Mussalman missionaries laboured in opposition to one another within the same area. Religious feeling raged high; and although no disturbance has as yet taken place, the effects of the dogmatic warfare between rival proselytizers have been very unhappy. Throughout the Punjab in particular, the feeling between Hindus and Mussalmans has in some places showed signs of rising almost to the Multan pitch; and just subsequent to the conclusion of the period immediately under review, riots and disorders between the two communities broke out at Amritsar. It is indeed unfortunately plain that the Hindu-Muslim *entente* has been subjected to a strain which it could not possibly bear. From the commencement political, it depended for its existence upon the advance of both parties towards a single objective rather than upon any removal of the differences which divided them. When as a result of the decline of non-co-operation, that objective receded into the background, ancient differences at once became manifest; and were aggravated by the fact that no effort had been made to establish a common basis of mutual tolerance.

Mr. Gandhi's Success or Failure?

From all that has been said it will be plain that during the period we have now reviewed, the non-co-operation programme as expounded by Mr. Gandhi has failed to achieve the hopes of its creator. To the Western mind, this was in some sort inevitable; and a prompt realization of the fact determined the policy pursued by Government. Mr. Gandhi's original success was due to the enhancement of his personal influence by a very exceptional conjunction of circumstances. Thereby he was enabled to rally to his banner the traditional conservatism of the Hindu faith, and the resentment which for a variety of causes was dominating Indian nationalist sentiment; while at the same time, he secured a unique, if temporary influence over the Mussalmans. Thus placed in a position of moral dictatorship such as few Indians have

ever occupied, he controlled for an appreciable period the main stream of nationalist activity. Unfortunately his political ideas were principally negative, and scarcely on a level with his advanced ethical conceptions. He was therefore but ill-fitted to guide Indian nationalism through a crisis which demanded in a leader practical acumen rather than moral fervour. Making little distinction between ends and means; elevating to the dignity of eternal principles what were in effect his personal idiosyncracies of political belief, he failed fully to utilise for the practical advancement of his country the astonishing enthusiasm which his movement aroused. He spread unrest far and wide but could provide for it no satisfaction save in a programme of action at once fantastic in its details and infructuous in its effect. The self-sacrifice which he preached was therefore diverted into channels that brought misery to many. This is the more lamentable since, rightly directed, his gospel might have achieved much of lasting benefit in the way of national reform. Particularly at the beginning of his campaign, his message to his countrymen was practical in the extreme. He told them that Indian nationalism meant something more than carping criticism of the British administration; that illiteracy, poverty, and industrial backwardness can be remedied only by the people themselves. Gradually, however, this strain became less prominent in his speeches. He seemed to lack his old certainty of touch. In public affairs he showed a disposition to temporise which contrasted strangely with the consistency of his private life. Political victory over the Government seemed to have replaced the regeneration of his own people as the keynote of his pronouncements. Even when he was most powerful he could not entirely restrict the various sections of his followers to the limits which he had placed upon their license of speech and action. As his influence waned, so did the idealistic side of non-co-operation wither and decline. The self-reliance which he held so dear became merged, in the case of many, into an exaggerated self-assertion which culminated in racial and communal hatred—a regrettable consequence which coloured the later stages of his whole movement and seems destined to outlive it. Only when this has passed away will it be possible to determine if the national awakening which enthusiasts have seen in non-co-operation is anything more than a dream. Whether Mr. Gandhi's influence will in the long run be judged to have operated for the good or for the ill of India, it is the task of History to determine: all that has been attempted in this narrative is to describe in provisional guise its effect upon the political events of the moment.

APPENDIX I.

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APPENDIX II.

His Excellency the Viceroy's Speech.

His Excellency the Viceroy spoke as follows at the inauguration of the 3rd Session of the Council of State and the Legislative Assembly at Simla on the 5th September 1922 :—

Once again it is my pleasant task to welcome you, the Members of the Indian Legislature, to the labours of a new Session.

Since I last addressed you, many events of importance to India have occurred. Foremost among these is enshrined in our thoughts—the visit to India of His Royal Highness the Prince of Wales. A year ago in my address to you, I predicted that we might with confidence count on a welcome from India to His Royal Highness, characteristic of the traditional loyalty and devotion of the Indian people to the Royal House, and this confidence found a warm echo in your debates and activities.

It is a source of deep gratification to us now that His Royal Highness has come and gone to feel that our predictions have been justified. In spite of organised attempts to mar the reception on the part of a section of the community, all classes in British India and the Ruling States threw themselves with enthusiasm into the privileged task of welcoming His Royal Highness. His Royal Highness has moved among us, and his visit has demonstrated the loyalty of India to His Majesty the King-Emperor. His Royal Highness captivated us by his great personal charm ; he inspired us by his high sense of public duty and by his keen interest in all classes of His Majesty's subjects and in all our activities and problems. We are fortunate indeed in that the great traditions of the British Crown will, in the fullness of time, be continued by him who came to us to know India and to be known by her and who left India with an abiding interest in her welfare.

In the domain of external affairs, the subject uppermost in our minds is the proposed revision of the Treaty of Sevres. I can now add little to the statements made at Peshawar in April last, save to assure you that every stage in the developments is followed by my Government with keen and watchful interest, and whatever action we can with propriety adopt to lay before the British Government the reasonable aspirations of the Moslems of India regarding these developments, we have taken and shall not fail to take.

It is gratifying to observe that the activities of my Government have not been without effect upon the Moslem population of India who have readily acknowledged and appreciated that my Government have done their utmost to impress the Indian Muhammadan view upon His Majesty's Government. At this moment negotiations are proceeding with the object of arriving at a solution of this difficult and delicate problem, and it is therefore undesirable for me to discuss the situation. I will only remind you that, as already stated by His Majesty's Government, the representations will be fully considered and due weight will be attached to them by His Majesty's Government in so far as these are compatible with justice, their obli-

gations to their Allies and the adequate safeguarding of minorities. It is most earnestly to be hoped that these efforts of His Majesty's Government and their Allies will shortly result in the complete restoration of peace to the Near East.

I am glad to inform you that cordial relations subsist with all the Powers on our borders. Since I last addressed you a Treaty has been concluded between His Majesty's Government and Afghanistan, and I feel confident that the bonds of friendship between Afghanistan and ourselves will be maintained and grow in strength.

There is peace on our tribal frontier except in Waziristan, and even there I had hoped that the results achieved would enable me to announce to you the winning stage in long protracted operations. Owing to the gallantry of our troops, substantial progress has already been made in the very difficult conditions well known to all who are acquainted with this frontier. But while some of the Wazir and Mahsud tribal sections have entered into satisfactory engagements with us, we have still to secure that complete tribal unanimity and co-operation which alone can effectively maintain peace. Our object in Waziristan is to ensure the security of life, honour and property of those who are entitled to our protection, whilst keeping our expenditure within the narrowest limits commensurate with our purpose.

In dealing with external affairs and our borders, I may refer to the position of Indians and the Dominions and Colonies overseas. The Standing Emigration Committee is now advising the Government of India on all Emigration matters of major importance. Our policy is embodied in the new Emigration Act which received my assent last March. At present emigration of unskilled labour is illegal, except to Ceylon, the Straits Settlements and the Federated Malay States to which the new Act will apply next March. Deputations from Ceylon and Malaya are with us discussing the details of the proposal which, on the advice of the Committee, we have placed before their Governments, and the Government of the Straits Settlements are embodying in their local legislation the provisions which we are advised to secure in that Colony. I desire to acknowledge the cordial spirit in which Colonial Governments are co-operating with my Government to make conditions of Indian emigration free from all reasonable objection.

The important aspects of the Right Honourable Sastri's mission were referred to by me in a speech I made on the eve of his departure. We have every reason to be gratified by the impression which he has made and by the warm reception extended to him. Mr. Sastri has already been successful in obtaining the removal of some minor disabilities affecting domiciled Indians, and we trust that in course of time on larger questions also, on which ministers cannot immediately extend promises in advance of the mandate of their electorates, the atmosphere of friendly feeling towards India created by his visit may conduce towards the realisation of our reasonable expectations.

My Government have been in correspondence with the Government of the Union of South Africa regarding the recommendations of the Asiatic Inquiry Commission. We have been able as yet to reach an agreement in principle, but we are still engaged in attempts to arrive at a better understanding. The Union Government by their recent action in suspending the operation of two Ordinances

in Natal, have given proof of their desire that most careful and impartial inquiries should be made before any step is taken which is likely to affect the position of Indians in any part of the Union.

In reference to repatriation from Natal, my Government have made careful investigation. No case has been brought to their notice in which repatriation has been other than entirely voluntary.

The Report of the Deputation to British Guiana has not yet been received. We have the summary of the recommendations of the Fiji Deputation, and their report will be taken into consideration by my Government as soon as it reaches us. The condition of the sugar industry in these islands gives us cause for apprehension that Indians in Fiji, may no longer be able to earn a living wage, and the Government of India are engaged in arranging at the cost of that Colony for facilities for repatriation of all Indians who desire to return.

Conversations are proceeding between the Colonial Office and the India Office regarding the position of Indians in Kenya. The Government of India are carefully watching developments and I trust a satisfactory settlement of the difficult questions involved may soon be reached.

I note your anxiety, in watching the fortunes of our Indian brethren overseas. Let me assure you that my Government have been and will be unremitting in asserting their rights and urging their cause in all parts of the Empire. If I do not say more upon this occasion I hope you will understand that it is not because I am unmindful of the vast importance of the subject. I shall be in a better position to address you more fully when the result of the pending discussion has been reached and can be announced.

When we turn to matters nearer home a subject of first importance to us is finance. I need not go into the story of our deficit, but you may be assured that my Government is making every effort to bring about the equalisation of expenditure to revenue. The first step is retrenchment. I have explained to a deputation which addressed me the measures adopted by my Government to attain this object and I feel that they will command confidence. We must now await the recommendations which the Retrenchment Committee will place before us. The results of our loan operations have been encouraging. You will have seen that our Sterling Loan realised 12½ million pounds and our Rupee Loan 46 crores of which 43 were new money. By the mercy of Providence good harvests have mitigated our grave anxieties on account of the enormous rise of the price of food grains prevailing when I last addressed you. A fall in prices has now occurred, sharper than even the previous rise. This year's monsoon has been, on the whole, favourable and I trust, that we may look with hope for a continuance of plentiful stocks and lower prices of the first necessities of life and that this improvement may conduce to remove economic discontent—so often the root cause of political malaise.

There is a matter to which I may refer as being of special interest to this Legislature. We are making an addition to our machinery. Rules have been framed for the appointment of further Standing Committees of the Indian Legislature to various Departments of the Government of India and for the definition of their functions and their procedure. The duties of the Committees will be of an advisory nature, and I trust that the Departments will find the Committees of real assistance

and that the members of the Committees on their part will gain a wider insight into the problems of the administration, and that experience will demonstrate the benefits to be derived from the continuance of this system.

Last year I warned you that you could not expect to garner so rich a harvest of achievement every Session, but with your subsequent record before me, I doubt the correctness of my prediction. Time will only permit me to chronicle a few of your most important achievements; but the list even with this limit, refutes the malice of those who belittle the reformed constitution and decry the efforts of those who, like you, believe that only through constitutional methods can the aspirations of the Indian people be fulfilled.

The Press Act of 1910 has been repealed. In this connection I pointed out last year that the repeal of the Act might necessitate the consideration of the form of protection to be given to the Princes against seditious attacks upon them in newspapers published in British India. In the meantime the Local Governments have been consulted and this question has been closely examined and has been the subject of correspondence between my Government and the Secretary of State. We have decided that we are bound by agreements and in honour to afford to the Princes the same measure of protection as they previously enjoyed under the Press Act which is the only protection available to them; and a Bill to secure this object will be brought before you in the present Session. This protection to the Princes was first given by the Act of 1910. It is not suggested that it has been abused, and the only reason for its repeal is because in British India we have decided to dispense with the special remedies under the Press Act and to rely upon the general law which is not applicable to the Princes.

The Report of the Committee appointed to examine certain laws conferring extraordinary powers on the Executive has resulted in the repeal of 23 Acts and Regulations supplementing the ordinary criminal law. The Acts repealed include the Defence of India Act, 1915, the Statute known as the Rowlatt Act and part of the Criminal Law (Amendment) Act of 1908. I congratulate you on passing into law last winter Session the Amending Factories Act—a very important piece of social legislation.

You have an arduous programme of legislation before you. Among important measures I may mention a Bill to amend the provisions of the Criminal Procedure Code, which has been under discussion for some years; the voluminous matter collected has been examined by a Joint Committee, whose report will be before you shortly. Another Bill is that abolishing transportation as a form of punishment. The Indian Mines Act, which is designed to make improvements in the provisions to secure the safety, welfare and efficiency of mineworkers will also come before you. Last year I foreshadowed two other measures destined to benefit the labouring classes of the country. Legislation for workmen's compensation has been advocated by the leading association of employers and employees and the majority of the Local Governments. The proposals have been examined by a Committee, the majority of whose recommendations will be laid before you in the form of a Bill. We hope also to place our considered decisions regarding protection and legal status of trades-unions before you.

Interest naturally centres round the deliberations of the Fiscal Commission. This Commission opened its enquiries in November last and concluded them in

July. I believe that the members were unable to come to an unanimous decision, and the preparation of the minority note has delayed the submission of the report to Government. It is hoped, however, that copies of the full report will shortly be in the hands of members of the Legislature.

I turn now to Railways. It is only a year since we received the report of Sir William Acworth's Committee. The Assembly took the most important decision regarding railways which has been arrived at for many years in setting aside a sum of 150 crores for the next quinquennium for use on rehabilitation. Railway administrations are now able to look ahead and plan an ordered programme of capital expenditure. The proposal that railway finance should be separated from general finance has not been found at present possible by the Committee which examined the point, but the matter has still to come before the Legislatures. The question of the reorganisation of the Railway Board is under examination. A Central Advisory Board consisting of members of the Legislatures—a different composition from that advocated by the Acworth Committee, but one better suited to our needs and conditions—has been established. It has begun work and will examine many questions connected with railways which must come before you. The question of a Rates Tribunal will soon be ready for the preliminary scrutiny of this Board. We are fully conscious of the importance of the Acworth Committee's report, and are pressing the issues raised by it to a conclusion.

You will be interested to learn that since last September considerable progress has been made with the development of the Territorial Force. In addition to the University Training Corps, twenty provincial battalions have been constituted and the numbers enrolled total more than 10,000. Some units have undergone their first training with satisfactory results. General Burnett-Stuart, who conducted the recent operations in Malabar, commented in his farewell order to the Madras District on the good start made by the battalions in that Presidency. While it is too early to judge of the military value of the force, the first steps are certainly encouraging.

Indian candidates continue to be selected for the Royal Military College, Sandhurst, but I regret to say that my Government have cause for anxiety in that so few candidates possessing the necessary qualifications have come forward for selection. In these circumstances, I am gratified to know that the College designed to train Indian boys who aspire to enter Sandhurst has now been established at Dehra Dun. The College was formally opened by His Royal Highness the Prince of Wales last March, and I have subsequently visited it. There are 37 boys under tuition, accommodation for larger numbers is being provided, and the report on the first term's work of the College is decidedly satisfactory.

Air Vice Marshal Sir John Salmond is at present in India to examine and report to my Government upon the Air Force and whether economies in defence expenditure can be effected by increased use of the Air Force in co-operation with our Army for the external and internal protection of India. He has completed his inquiries and has submitted his report which will require most careful study.

I shall not to-day follow the more conventional course of referring in greater detail either to the work accomplished by the Legislature and the Government Departments during the last twelve months or to the proposals to be laid before you by the Government during this Session. I prefer to use this opportunity to

consider with you matters of wider import to India and her future, which I know are seriously engaging your thoughts and forming the subjects of your discussions. When considering the observations I am about to address to you, I would ask you to keep in mind that I came to India immediately after the initiation of the Reformed Constitution and that I was consequently entrusted with additional responsibilities which had not been laid upon my predecessors. A solemn declaration of policy had been made by His Majesty's Government, the necessary legislation had been passed, and, be it observed, not by one political party, but with the assent of all political parties in England, and the formal ceremonies of the inauguration of the new Legislature had been performed by His Royal Highness the Duke of Connaught on behalf of His Majesty. I came charged with the task of helping to guide India along the road of constitutional progress to the ultimate realisation of her aims in accordance with the declaration of 1917 and His Majesty's proclamation, and under the special directions of His Majesty the King Emperor contained in the Instrument of Instructions issued to me with my Warrant of Appointment as appears from the following paragraph:

"For above all things it is Our will and pleasure that the plans laid by Our Parliament for the progressive realisation of responsible government in British India as an integral part of Our Empire may come to fruition, to the end that British India may attain its due place among Our Dominions. Therefore, We do charge Our said Governor General by the means aforesaid and by all other means which may to him seem fit to guide the course of Our subjects in India whose governance We have committed to his charge so that, subject on the one hand always to the determination of Our Parliament, and, on the other hand, to the co-operation of those on whom new opportunities of service have been conferred, progress towards such realisation may ever advance to the benefit of all Our subjects in India."

That policy remains unchanged, and if any shadow of doubt upon this subject lingered in the minds of any one it should be removed by the statement the Prime Mininster recently authorised me to make and which I communicated to the deputation that waited upon me a short time ago. The Prime Minister speaks with the highest authority, for not only is he Prime Minister and the head of His Majesty's Government, and responsible for its policy, but he is the Prime Minister who presided over the Councils of His Majesty's Government when the declaration of 1917 was made and was responsible to Parliament when the Government of India Act, 1919, was introduced and passed.

It is now nearly eighteen months since I arrived in India and assumed the responsibility of my high office, and I need not say that I have watched with a keen and deep interest the progress made by this Legislature and the Legislative Councils in the Local Governments. Almost from the first moment of my arrival I observed that agitation was proceeding with a view to obtaining an immediate or almost immediate extension of the powers given under the new Constitution, which had then been but a few months in operations. As time progressed I learnt that there was an element of doubt, and even suspicion, regarding the intentions of HisMajesty's Government to fulfil the promises they had made. It seemed difficult to understand that doubt should be entertained regarding promises solemnly made and deliberately expressed in formal documents. I have searched for grounds for these doubts and suspicions and have failed to find any reasonable basis for them. There is no promise that has been broken; there is no pledge that has been violated either by His Majesty's Government or my Government. Within the short period that has elapsed both His Majesty's Government and the Government of India have acted in accordance with the promises and pledges given. Why then is there this doubt? I cannot but think that in the natural desire of India for progress

attention has been too much concentrated upon the promises to India, while perhaps insufficient regard has been paid to the language both of the declaration and the preamble to the Statute. It is there stated that the goal is the increasing association of Indians in every branch of the administration and the gradual development of self-governing institutions with a view to the progressive realisation of responsible government within the Empire. Advance is to be by stages. The time and manner of advance are to be judged by the British Parliament. Their judgment is to depend on the co-operation of the people of India and the development of their sense of responsibility. This is the foundation upon which the future progress of India is to be built. The eventual completion of the structure will take place when the British Parliament is satisfied respecting the essential considerations above-stated. I am putting the position very plainly to you. I feel it is right that I should. You will remember, I trust, that I am speaking in the interests of India of which I am the present custodian subject always to responsibility to His Majesty's Government and the British Parliament. Be assured that I am not the less in sympathy with the national aspirations of India because I survey the situation as I necessarily must, with a knowledge that India's future progress depends both as to time and manner of advance upon the good-will of the British Parliament.

Gentlemen, you have reason to be satisfied with the success you have already achieved in the Legislature during the short period of its existence. In the language recently used by the Prime Minister " there has been a very considerable measure of success " and very able and distinguished Indians have contributed to achieve this result. But this is only one part—although a very important part—of the picture. There is another aspect which I am sure presents itself to your minds at this moment, and I would ask you whether the events in India of the last eighteen months can fairly and reasonably be regarded as assisting the efforts you have made towards realisation of your aims, and whether indeed these events have not proved a hindrance and an obstruction to the progress of India ? We have seen the Legislatures and all co-operating in constitutional progress doing their utmost to march forward. I wish this were the whole story ; but facts must be faced, and we cannot ignore that a section of the people of India have spared no effort, not only to withhold their own co-operation, but to hinder and intimidate others. They have not stopped short of violence, they have not hesitated to foster antagonism to settle government, to stir up racial hatred and to lead the way back to chaos and anarchy. The acts of this section during His Royal Highness' visit are too well known to you to require recapitulation ; here in India we know that they do not represent the real views of the Indian people. But can you wonder that they created a deplorable impression upon the British people throughout the Empire notwithstanding the devotion and loyalty of the great majority of the people of India ? The mischief was deliberately done, and in spite of the solemn warning I ventured to give of its inevitable effect upon the British people and the British Parliament.

I have said enough of the past : I now turn to the future. I look with confidence to you for help. If we are to secure the progress we all desire, we must create the atmosphere in which it can develop. There must be respect for law and order and support for constituted authority and for established government

Malign influences which mislead the uneducated masses into excess must be combated. We must see that the objects we are striving to achieve are understood and make appeal to the intelligence of the masses and command their sympathy. We must convince them of the sincerity in our purpose: We must make them feel assured that the first motive of all our actions is their ultimate well-being. You must attempt to diffuse that clearer vision with which you have been gifted. You must help others to share in that wider outlook and in those opportunities for material welfare which you enjoy. Defensive tactics alone will not suffice—We must lead and guide—upwards and onwards.

The task is not easy. It requires application; it calls for patience; but it is one which I am confident that your efforts can bring to a successful issue. It is a task in which you may rely on the fullest support of my Government and of the Civil Services, who, in the face of much misrepresentation and hostility, have freely and unsparingly co-operated to work the reformed constitution and continue to labour for its success. They are ready to help you, and they also look for your help.

You hear around you propaganda against the Reforms; your rights are assailed by misrepresentations; your privileges and prospects are attacked, your achievements are belittled; your aims are vilified. Last year I urged you to counteraction. I impressed on you that the electorate required education. I have the same advice to repeat to you now; but I repeat it with more force and insistence. For another year has passed and a new election is within sight, and I make my earnest appeal to you in the interests of India so dear to your hearts to lend your influence and authority to help India forward to the attainment of her ultimate aims, to continue the advance which will secure to her, in the fullest degree, the great place that awaits her within the Empire.

APPENDIX III.

The Fiscal Commission's Report.

The following is a summary of the Fiscal Commission's Report :—

The terms of reference to the Commission were "to examine with reference to all the interests concerned the Tariff policy of the Government of India, including the question of the desirability of adopting the principle of Imperial Preference, and to make recommendations."

On the first point, *viz.*, the tariff policy of the Government of India, the conclusion of the Commission is stated in the following words :—"We recommend in the best interests of India the adoption of a policy of protection to be applied with discrimination along the lines indicated in this report." The decision in favour of a policy of protection rather than one of free trade is based on a careful analysis of the probable gain and loss in Chapters IV, V and VI. It is shown that the industrial development of India has not been commensurate with the size of the country, its population and its natural resources, and that India will derive great advantages in many directions from a considerable development of Indian industries. It is then pointed out that the conditions for a rapid industrial advance are suitable and that without the stimulus of protective duties the advance will not be sufficiently rapid. The necessity of continuing to derive a high revenue from the tariff, which is apparent from a consideration of the financial situation, is also held to lead inevitably towards protection. On the other side of the account the loss involved by the burden of increased prices and the effect of this burden on various classes of the community is examined. It is shown that the exercise of discrimination in the selection of industries for protection and in the degree of protection afforded will ensure that the inevitable burden on the community is kept as light as is consistent with the due development of industries. The final conclusion is that, apart from the strong Indian sentiment in favour of protection, the balance of advantage on economic grounds is heavily on the side of the policy recommended.

The justification of the policy rests largely on the manner in which it is worked, as it is held that any type of indiscriminate protection would entail a sacrifice on the part of the mass of the people out of proportion to the results. This accounts for the great importance attached by the Commission to the Tariff Board which it proposes should be constituted. The Tariff Board will be the instrument by means of which the policy will be "applied with discrimination." It is proposed in Chapter XVII that the Tariff Board should be a permanent body consisting of three members of high standing and ability. The main duties of the Board will be to investigate and report on the claims of particular industries to protection, to watch the operation of the tariff, and generally to advise the Government and the Legislature in applying the policy in detail. The functions of the Board would

be advisory, and not executive, but stress is laid on the necessity of making public its findings and recommendations.

Principles are laid down by the Commission in Chapter VII for the guidance of the Tariff Board. The three main conditions which should be satisfied in the case of an industry claiming protection are—

(*a*) that the industry possesses natural advantages;

(*b*) that without the help of protection it is not likely to develop at all or not so rapidly as is desirable; and

(*c*) that it will eventually be able to face world competition without protection.

As a qualification of these general conditions it is recommended that industries essential for purposes of national defence, and for the development of which conditions in India are not unfavourable, should, if necessary, be adequately protected. Further the general principles are laid down that raw materials and indusrrial machinery should ordinarily be admitted free of duty, and that partly manufactured goods used in Indian industries should be taxed as lightly as possible. The taxation of articles to which protectionist considerations do not apply will be outside the purview of the Tariff Board, and will be regulated in accordance with the financial needs of the country.

Various supplementary measures are indicated in Chapter VIII as necessary in addition to protective duties, if full industrial development is to be attained. A more industrial bias should be given to primary education, opportunities should be provided for the training of Indian apprentices, and organizations for increasing the mobility of labour should be developed. The consideration of legislation against dumping is suggested, such legislation not to take the form of a general automatic measure, but to provide for the imposition of dumping duty only in the case of particular commodities, and only when it has been established that dumping is taking place to the detriment of an Indian industry. Precautions are also suggested against imports from a country in which the exchange is seriously depreciated and against any system of export bounties granted by foreign countries. Reference is also made to the complaints of Indian industries against the railway rates policy and coastal shipping rates and suggestions are made for meeting those complaints. The possibility of legislation directed against shipping rebates is suggested.

The tariff policy in India cannot be confined merely to a consideration of import duties. There are two other important classes of duties which are at present levied in India in connection with the tariff, excise duties and export duties, and the Commission devotes two chapters to each of these. With regard to excise duties a general examination is made in Chapter IX of their nature, justification and effect, and certain principles limiting their imposition are suggested. A separate Chapter (X) is given to the Indian cotton excise, the history of which is described in detail. The conclusion of the Commission is that the existing duty should, in view of its past history and associations, be unreservedly condemned, that the British Government should announce its intention of allowing the Government of India to decide in agreement with the Indian Legislature, what action should

be taken, and that the Government of India and the Legislature should then begin with a clean slate and take such measures as the interests of India require.

Export duties are dealt with in Chapters XI and XII. The conclusions of the Commission are that export duties tend to injure the home producer and that they should therefore not be utilised for protective purposes. They may, however, under certain circumstances be imposed for revenue purposes, but they should be imposed with great caution, they should be imposed only on articles in which India has a monopoly or semi-monopoly, and in every case the duties should be moderate. The only exception to these principles which the Commission recognises is when the price of foodstuffs shows a tendency to rise to dangerous heights. In such a case the Commission holds that it may be necessary to restrict the export of food grains, and that as there are fewer objections to direct Government prohibition or regulation of exports, the least objectionable manner would be a temporary export duty on food grains.

The Commission makes no definite recommendations regarding the treatment of particular industries, holding that it had not sufficient material for the purpose, and that the necessary enquiries must be made by the Tariff Board. When, however, any principle laid down by the Commission admits of direct application, this is indicated, and accordingly the Commission definitely recommends the abolition, as early as possible, of the import duties on machinery and coal, and the export duties on hides and tea.

The second main subject referred to the Commission was the question of Imperial Preference and this is dealt with in Chapter XIII. The conclusions of the Commission are that any general system of preference to British products would involve a serious burden which it would not be reasonable for India to shoulder, while on the other hand the possibilities of advantage to India from preference granted to her exports are limited. At the same time India may be in a position in certain cases to grant preferences which would be of assistance to British industries and would not cause appreciable economic loss to India. The advantages on broad Imperial grounds of recognising the principles of Imperial Preference are pointed out, and it is suggested that the question of granting preferences on a limited number of commodities be referred to the Indian Legislature after preliminary examination of the several cases by the Tariff Board. If this policy is adopted it is recommended that its application be governed by the following principles :—

(*a*) that no preference be granted on any article without the approval of the Legislature.

(*b*) that no preference should in any way diminish the protection required by Indian industries.

(*c*) that preference should not involve any appreciable economic loss to India after taking into account the economic gain which India derives from the preference granted her by the United Kingdom.

The above proposals relate entirely to preference to the United Kingdom, and it is recommended that any preferences which it may be found possible to grant to the United Kingdom should be granted as a free gift. In the case of other parts

of the Empire a different policy is recommended. It is suggested that the principle of reciprocity should be followed, *i.e.*, that preferences should be granted only as the result of agreements mutually advantageous.

In Chapter XIV the tariff is dealt with in its more technical aspect. The Commission recommends that the system of specific duties and tariff valuations should be extended cautiously and that the description of articles in the tariff should be elaborated. The system of double tariffs which prevails in most protectionist countries is condemned as unsuitable to Indian conditions, and the undesirability of employing the tariff as a means of aggression or, unless in exceptional circumstances, for purposes of retaliation is emphasised. The Commission recommends that in the interest of the Indian industries customs duties should ordinarily be levied on goods belonging to the Government.

Chapter XV is devoted to a consideration of the attitude to be adopted towards foreign capital. The economic advantages of foreign capital to the country are explained, the present feelings of opposition to it are indicated, the restrictions on its employment which have been suggested are examined, and the conclusion is drawn that in the interests of the country no obstacles should be raised to the free inflow of foreign capital. It is, however, recommended that Government monopolies or concessions should be granted only to companies registered and incorporated in India with rupee capital, having a reasonable proportion of Indian Directors and affording facilities for training Indian apprentices.

The position of Indian States is considered in Chapter XVI. It is pointed out that Indian States are closely concerned both as consumers and as producers in the tariff policy adopted for British India, but that their views on that policy coincide generally with those expressed in other parts of India, and that their interests will be fully safeguarded under the scheme of protection recommended.

The Report begins and ends with a reference to the relations between India and Britain. In the first chapter stress is laid on the pronouncements of the British Government regarding the principle of fiscal autonomy for India. In the last chapter the Commission explains that its recommendations have been based solely on the interests of India, but it also gives its reasons for holding that in this matter there is no real antagonism of interests betwen the two countries, and that a more prosperous India will mean a more prosperous Britain.

The Minute of Dissent.

The report is signed by all the members subject, however, to a Minute of Dissent by a minority consisting of the President, Sir Ibrahim Rahimtullah, and four members, Mr. T. V. Sheshagiri Aiyar, Mr. G. D. Birla, Mr. Jamnadas Dwarkadas and Mr. Narottam Morarjee.

The minority firstly object to the conclusion of the Committee already quoted on the subject of protection. While agreeing that protection whould be applied with discrimination they consider that the conditions laid down in Chapter VII of the report are too stringent; that immediate steps be taken to adopt an intense policy of industrialisation; and that any discrimination necessary in the interests of consumers must be decided by the Government of India and the Indian Legislature.

Secondly, they would apply excise duties only to commodities such as alcohol and tobacco, whose consumption it is desirable to restrict. If more revenue is necessary, a few articles of luxury may be made subject to excise duty. They recommend immediate abolition of cotton excise duty.

Imperial Preference.

Thirdly, on the question of Imperial Preference, they dissent in respect of the treatment to be accorded both to the United Kingdom and the self-governing Dominions. As regards the former, they hold that "India cannot accept the principle of Imperial Preference until she has attained responsible Government and is able to regulate her fiscal policy by the vote of a wholly elected Legislature." They, however, consider that Indian opinion would be inclined to accept the immediate application of Imperial Preference provided conditions were created to place India at once on the same footing as the self-governing Dominons in the matter, and that even under the political status which India now enjoys matters might be arranged so as to bring about in practice the position which the Dominions enjoy. They, therefore, recommend that the power of initiating, granting, varying and withdrawing Imperial Preference should vest by legislation or other equally effective means in the non-official members of the Legislative Assembly. As regards the self-governing Dominions they agree that negotiations should be opened for trade agreements on a basis of reciprocity, but that an essential precedent condition should be the recognition of the rights of the Indian people to a status of complete equality and the repeal of all anti-Asiatic laws so far as they apply to the people of India.

Foreign Capital.

Fourthly, as regards foreign capital, they consider that the recommendations of the Commission are inadequate and that all companies protected by tariff walls should be companies incorporated in India with rupee capital and with a reasonable proportion of Indian Directors and offering facilities for training Indian apprentices.

Fifthly, they agree that a Tariff Board is necessary, but recommend that the chairman should be a trained lawyer of the status of a High Court Judge, that the two other members should be elected by the non-official members of the Legislature and that there should also be two assessors representing trade elected by the leading Chambers and Mercantile Associations in India who could be summoned at the discretion of the Board when their presence was required.

Finally they hold that an intense effort at industrialisation will rapidly increase India's prosperity and also her demand for manufactured articles both local and imported; and that the trade relations of India and the United Kingdom will thus be put on a sound economic basis, mutually beneficial to both.

APPENDIX IV.

National Liberal Federation Resolutions.

The following resolutions were passed at the 5th National Liberal Federation held at Nagpur in Christmas week in 1922 :—

Self-Government.

This meeting of the All-India Liberals earnestly urges upon the Secretary of State for India and the British Parliament the necessity of accelerating the pace for the attainment of complete Self-Government and towards that end the taking of steps for the immediate introduction of full responsible government in the Provinces and responsibility in the Central Government in all departments, except the military, political and foreign.

Indianisation of the Army.

This meeting of the All-India Liberals regards with the gravest concern the delay in the inauguration of plans for the Indianisation of the Officers' ranks in the Indian Army, for the reduction of the British element and for the introduction of other improvements and economies recommended by the Military Requirements Committee of the Indian Legislative Assembly, regards it as a crucial test of the sincerity of the authorities regarding India's Dominion status, sees no way except through drastic retrenchment under this head of the country's regaining financial equilibrium, and calls upon the British Cabinet and the Army Council to restore by speedy action the confidence of the people of India in the oft-repeated promises to grant full responsible government to India. This Federation also earnestly appeals to the people of India to take, in the meanwhile, fullest advantage of the Indian Territorial Force Act and to enrol themselves in large numbers in the Territorial Force. It also appeals to the Government to take all possible steps to promote and popularise enrolment in the Force.

Non-Interference by the S. of S.

This meeting of the All-India Liberals attaches utmost importance to the principle laid down with emphasis by the Joint Select Committee of Parliament on the Government of India Bill of 1919 to the effect that where an executive government and its legislatures are in agreement on any matter there should be no interference by higher authority except when Imperial interests are involved. It regards it as an essential condition for the growth of the Indian constitution and preparation of the legislatures for ultimate responsibility of the whole government and it trusts, further, that, besides loyally observing the principle, the Secretary of

State will give it full scope by releasing Governments in India from obligations to consult him previously in such matters, both by liberal interpretation of rules and regulations on the subject and by modifying these wherever necessary.

Indianisation of the Services.

(1) This meeting of the All-India Liberal Federation strongly opposes the proposal to appoint a commission of enquiry into the alleged financial and other grievances of the Imperial Services and to make further increases in their pay and allowances.

(2) In order to enable the Government of India and Local Governments to reduce expenditure on overhead charges of administration and reserved subjects, this Federation urges on the Secretary of State for India the necessity of authorising the Indian legislature and local legislatures to make laws regulating public services under clause (2), section 96 B of the Government of India Act and in the meantime stop all recruitment in England in all Imperial Services.

Indians Overseas.

This meeting wishes to convey to the Imperial Cabinet of Great Britain its sense of concern at the undesirable effect produced on the minds of the people of India by reports that are received here from time to time of obstacles and difficulties in the way of the application to Crown Colony of Kenya of the principles embodied in the resolution of the Imperial Conference, 1921, and trusts that the Cabinet, which had influential representations at the Conference including the then Prime Minister and Colonial Secretary, will be able at an early date to carry out these principles in letter and in spirit.

This meeting condemns the anti-Indian policy pursued by the Government of the Union of South Africa and by the Provinces comprised in the Union, where the proportion of Indians is steadily deteriorating and, while fully acknowledging that the Government of India have fully identified themselves with Indians in their sentiments, this Conference, in the interests of Indians overseas generally, urges that the Government should continue to bring pressure to bear on the Union Government to accept the policy enunciated in the resolution of the Imperial Conference of 1921.

Retrenchment.

This meeting of the All-India Liberals earnestly trusts that the Inchcape Committee and various provincial retrenchment committees will recommend material reductions of expenditure and enable the Government of India and various local Governments to restore their financial equilibrium and thus avert the need for additional taxation.

Princes Protection Act.

This Federation is of opinion that the Indian States (Protection against Disaffection) Act passed by the Council of State on the Governor General's certificate is not in the interests of British India or subjects of Indian States and therefore Parliament should advise His Majesty to withhold his assent to it.

APPENDIX V.

37th Indian National Congress Resolutions.

The following are the resolutions that were passed at the 37th Indian National Congress held at Gaya in December 1922 :—

I.—Condolences.

This Congress places on record its deep sense of the loss sustained by the country in the death of Babu Motilal Ghosh and offers its condolence to his family.

This Congress has learnt with grief of the death of Babu Ambika Charan Mozumdar, one of its ex-Presidents and places on record its deep sense of the loss sustained by the country.

II.—Tribute to Mahatma Gandhi.

This Congress places on record its grateful appreciation of the services of Mahatma Gandhi to the cause of India and Humanity by his message of Peace and Truth and reiterates its faith in the principle of non-violent non-co-operation inaugurated by him for the enforcement of the rights of the people of India.

III.—To Sufferers.

This Congress places on record its profound appreciation of the service rendered to the national cause by all those brave citizens, who have suffered in pursuance of the programme of voluntary suffering and who, in accordance with the Congress advice, without offering any defence or bail served and are serving various periods of imprisonment, and calls upon the Nation to keep alive this spirit of sacrifice and to maintain unbroken the struggle for freedom.

IV.—Akalis.

This Congress records with pride and admiration its appreciation of the unexampled bravery of the Akali martyrs and the great and the noble example of nonviolence set by them for the benefit of the whole Nation.

V.—Khilafat.

This Congress congratulates Ghazi Kamal Pasha and the Turkish Nation on their recent successes and further records the determination of the people of India to carry on the struggle till the British Government has done all in its power and removed all its own obstacles to the restoration of the Turkish Nation to free and independent status, and the conditions necessary for unhampered national life and effective guardianship of Islam, and the Jazirat-ul-Arab freed from all non-Muslim control.

VI.—Boycott of Councils.

Whereas the boycott of Councils carried out during the elections held in 1920 has destroyed the moral strength of the institutions through which Government sought to consolidate its power and carry on its irresponsible rule:

And whereas it is necessary again for the people of India to withhold participation in the elections of the next year as an essential part of the programme of non-violent non-co-operation:

This Congress resolves to advise that all voters shall abstain from standing as candidates for any of the Councils and from voting for any candidate offering himself as such in disregard of this adivce; and to signify the abstention in such manner as the All-India Congress Committee may instruct in that behalf.

VII.—Repudiation of Debts.

Whereas by reason of unjustifiable military expenditure and other extravagance, the Government has brought the national indebtedness to a limit beyond recovery; and whereas the Government still pursues the same policy of extravagance under cover of the authority of the so-called representative assemblies constituted without the sufferages of majority or any substantial fraction of the voters and despite their declared repudiation of the authority of such assemblies to represent the people:

And whereas if the Government is permitted to continue this policy, it will become impossible for the people of India ever to carry on their own affairs with due regard to the honour and happiness of the people and it has therefore become necessary to stop this career of irresponsibility.

This Congress hereby repudiates the authority of the legislatures that have been or may be formed by the Government in spite of the national boycott of said institutions in future to raise any loans or to incur any liabilities on behalf of the nation, and notifies to the world that on the attainment of Swarajya the people of India, though holding themselves liable for all debts and liabilities rightly or wrongly incurred hitherto by the Government, will not hold themselves bound to repay any loans or discharge any liabilities incurred on and after this date on the authority or sanction of the so-called legislatures brought into existence in spite of the national boycott.

VIII.—Civil Disobedience.

This Congress reaffirms its opinion that Civil Disobedience is the only civilised and effective substitute for an armed rebellion when every other remedy for preventing the arbitrary tyrannical and emasculating use of authority has been tried; and

In view of the wide-spread awakening of the people to a sense of the urgent need for Swarajya and the general demand and necessity for Civil Disobedience in order that the National goal may be speedily attained; and in view of the fact that the necessary atmosphere of non-violence has been preserved in spite of all provocation;

This Congress calls upon all Congress workers to complete the preparations for offering Civil Disobedience by strengthening and expanding the National or-

ganisation and to take immediate steps for the collection of at least Rs. 25 lakhs for the Tilak Swarajya Fund and the enrolment of at least 50,000 volunteers satisfying the conditions of the Ahmedabad pledge by a date to be fixed by the All-India Congress Committee at Gaya; and empowers the Committee to issue necessary instructions for carrying this resolution into practical effect.

[NOTE.—The powers of the Provincial Committees under the resolution of the All-India Congress Committee passed at Calcutta on 20th November 1922 shall not be affected by this resolution.]

IX.—Turkish Situation.

In view of the serious situation in the Near East which threatens the integrity of the Khilafat and the Turkish Government; and in view of the determination of the Hindus, Mussalmans and all other peoples of India to prevent any such injury this Congress resolves that the Working Committee do take steps in consultation with the Khilafat Working Committee in order to secure united action by the Hindus, Mussulmans and others to prevent exploitation of India for any such unjust cause and to deal with the situation.

X.—Private Defence.

This Congress declares that non-co-operators are free to exercise the right of private defence within the limits defined by law except when carrying on Congress work or on occasions directly arising therefrom, subject always to the condition that it is not likely to lead to a general outburst of violence.

[NOTE.—Using force in private defence in grave cases, *e. g.* insults to religion, outrages on the modesty of women or indecent assaults on boys and men is not prohibited under any circumstances.]

XI.—Boycott of Educational Institutions.

With reference to the boycott of Government and Government-aided educational institutions, this Congress declares that the boycott must be maintained and further resolves that every Province should be called upon to put the existing national institutions on a sound financial basis and to improve their efficiency in every possible way.

XII.—Boycott of Law Courts.

This Congress declares that the boycott of Law Courts by lawyers and litigants must be maintained, and further resolves that greater efforts should be made to establish punchayets and to cultivate public opinion in their favour.

XIII.—Labour Organisation.

Whereas this Congress is of opinion that Indian labour should organise with a view to improve and promote their well-being and secure to them their just rights and also to prevent exploitation of Indian labour and of Indian resources: It is resolved that this Congress, while welcoming the move made by the All-India Trade Union Congress and various Kishan Sabhas in organising the workers of India, hereby appoints the following Committee, with power to co-opt, to assist the

Executive Council of the All-India Trade Union Congress for the organisation of Indian labour both agricultural and industrial.

Committee: 1. Mr. C. F. Andrews, 2. Mr. J. M. Sen Gupta, 3. Mr. S. N. Haldar, 4. Swami Dinanand, 5. Dr. D. D. Sathaye, 6. Mr. M. Singaravelu Chettiar.

XIV.—Affiliation.

This Congress resolves that the Natal Indian Congress Committee, Durban, the British Indian Association, Johannesburgh, the British Indian League, Cape Town, and the Joint Indian Association, Durban, be affiliated with power to send ten delegates — this number to be allotted amongst themselves by agreement to be reported to the All-India Congress Committee. This Congress resolves that the Kabul Congress Committee be affiliated with power to send two delegates.

XV.—General Secretaries & Treasurers.

This Congress places on record its grateful thanks for the valuable services rendered by the outgoing General Secretaries Pandit Motilal Nehru, Dr. M. A. Ansari and Sjt. C. Rajagopalachariar. This Congress appoints M. Moazzam Ali, Sjt. Vallabhbhai Patel and Sjt. Rajendra Prasad as General Secretaries for the next year. [Sjt. Rajendra Prasad will be the working Secretary and the All-India Congress office will be at Patna.]

This Congress reappoints Seth Jamnalal Bajaj and Seth H. J. M. Chhotani as Treasurers. (Seth Jamnalal Bajaj will be the working Treasurer.)

APPENDIX VI.

Secretary of State's Despatch on the Reforms.

Viscount Peel has addressed the following despatch dated November 2nd to the Governor-General in Council regarding the policy of His Majesty's Government with reference to the Government of India Act :—

My Lord,—More than a year has elapsed since your Excellency's Government forwarded to my predecessor the report of a debate which took place in the Legislative Assembly in September of last year as a result of which a motion was carried recommending that the Secretary of State should be informed that the Assembly was of opinion that the progress made by India on the path to responsible government warrants a re-examination or revision of the constitution at an earlier date than 1929. On the 28th February last my predecessor stated in reply to a question put to him in the House of Commons that he intended to address a despatch to your Excellency's Government in reply to this motion which would follow generally the lines of his speech in the course of the debate on the address a fortnight earlier. Circumstances, however, prevented the fulfilment of this intention, and, since it has fallen to myself to make the reply which it is desirable that the Assembly should receive, I do not imagine that your Excellency's Government will have expected that I should address myself to so large and important a question without mature consideration even though some further delay was involved. The result of my consideration is that I have little to add to, and nothing to qualify in, the statement of the case made by my predecessor in the concluding portions of his speech in the House of Commons on the 14th February last.

Three Reasons for not Amending the Act.

The policy deliberately adopted by a Parliament in enacting the Act of 1919 and recently reaffirmed by the present head of His Majesty's Government was to provide an instalment of self-government but at the same time to make further progress in that direction dependent upon experience of the practical results achieved in the working of the new constitution as a whole. It would have been a matter for surprise had any speaker in the Indian debate of September of last year attempted to prove as the result of six months' experience of a new constitution that its possibilities were exhausted and that nothing remained to be learned from further experience of its operation. No such attempt was made and the arguments used in support of the motion consequently lose some of their cogency, in my view, for three reasons.

In the first place, they assume that progress is impossible under the existing constitution and can be achieved only by further amendment of the Government of India Act. This assumption I believe to be fundamentally erroneous. The outstanding feature of the change made by the Act of 1919 was that it provided British India with a progressive constitution in place of an inelastic system of government, and that consequently there is room within the structure of that

constitution for the legisla`.res to develop and establish for themselvs a position in conformity with the spirit of the Act.

In the second place, however great the merits shown by the legislatures as a whole and by individual members—and I am far from wishing to underrate them—the fact remains that the merits and capabilities of the electorate have not yet been tested by time and experience. The foundation of all constitutional development must be the presence of a vigorous and instructed body of public opinion operating not only in the legislatures but what is even more important in the constituencies. Until this foundation has been firmly laid progress would not be assisted and might indeed be retarded if fresh responsibilities were added to those with which the electors have so recently been entrusted.

Thirdly, the new constitutional machinery has to be tested in its working as a whole. Changes have been made as the result of the Act of 1919 in the composition, powers and responsibilities not only of the legislatures but also of the executive Governments. No estimate of the success of the new system could pretend to completeness which was not based upon proof of the capacity of these bodies as now constituted to administer the duties entrusted to them, duties which from the point of view of public welfare are at least as important as those of the legislatures. And a trustworthy proof of such capacity can only be established by experience of the extent to which the increased association of Indians in the sphere of executive responsibility has justified itself in practice.

I would add that even were these reasons for patience less cogent, an opinion based upon six months' experience of its working, that a new constitution in the elaboration of which over two years were occupied stands in need of revision, is hardly likely to commend itself to Parliament, since it is clear that sufficient time has not elapsed to enable the new machinery to be adequately tested. It would in fact be without precedent if a constitution deliberately framed to provide a basis for development in whatever directions experience may indicate, were to be brought under review witnin a few months of its inauguration, and indeed any such process could hardly fail to deprive the constitution of a large element of its value by determining prematurely the precise directions in which further progress is to be made.

I shall be glad if your Excellency's Government will cause copies of this despatch to be laid on the table of both the Chambers of the Indian Legislature.

APPENDIX VII.

Inchcape Committee's Report.

The following is a summary of the Inchcape Committee's Report :—

The Committee first touches the military services and observes ;—

The expenditure which has been incurred in the past may have been inevitable but the question is whether India can afford to maintain the military expenditure on the present scale as an insurance against future eventualities. In our opinion repeated huge deficits of the last few years in spite of the imposition of heavy new taxation have made it abundantly clear that India cannot afford this expenditure. So long as peace conditions obtain, the first essential is for India to balance her budget, and this can only be secured by a very substantial reduction in the military estimates. In this connection it must be remembered that the budget estimate for 1922-23 did not represent the full annual expenditure which would have been incurred on the military services, but for certain fortuitous circumstances the strength of the army was under the establishment. The purchases of supplies were below normal as there were large accumulations of stocks of provisions, clothing and other stores, and the estimate also assumed large non-recurring receipts from sales of surplus war stores and other sources. Further we understand that inadequate provision was made for the maintenance of the Royal Air Force and that considerable additional expenditure will be necessary in future years. If allowance were made for these factors the expenditure required for 1922-23 would have been Rs. 71,37,82,000. Considerable public attention has naturally been displayed on the subject of the future policy with regard to Waziristan and we had reviewed this question in its bearing on the finances of India. We are informed that there is no idea in the mind of the Government of India of continuing the forward policy of military dominion up to the Durand line at the present time and that the idea has been abandoned. It is impossible to estimate what expenditure will be required in Waziristan in 1923-24 until the military and political situation is cleared up, but we understand that the Government have in view a policy which aims at an early and substantial reduction. Apart from financial considerations the strength and the distribution of the army necessary for the defence of India and the maintenance of internal security are matters which we feel must be left largely in the hands of His Excellency the Commander-in-Chief.

Fighting services since 1913-14.

The fighting efficiency of the army has been increased enormously by the introduction of modern rifles, machine guns, etc., and while we are informed that so far as the external menace is concerned there has probably been a relatively greater improvement in the equipment of the neighbouring tribes and the Afghan forces, it must be borne in mind that a large portion of the army is maintained for internal security.

Reduction of British Infantry.

In recommending the reduction of British Infantry the Committee observe: 'On mobilisation the peace establishment of battalions is reduced and only 840 British other ranks per battalion are retained on war establishment on a much higher scale than the war establishment in England and elsewhere. The policy is to maintain the peace cadre about 25 per cent. below war establishments which are capable of rapid expansion in war and a similar practice obtains in certain sections of the army in India. We recognise that in India reinforcements of British troops cannot be obtained in less than about two months but from statements which have been supplied to us it appears that as at present contemplated only five battalions of the British troops would be engaged on active operation during the first two months after mobilisation. During this period the estimated wastage of these troops on a 9½ per cent. basis would be 630 men and we cannot think that any serious difficulty would arise if in war this number had to be found from the troops required for internal security although we realise that this will entail a temporary pooling of resources as was found necessary in the Great War. In our opinion the number of troops per battalion required on mobilisation to maintain internal order in India should be capable of a considerable reduction in view of the increased fighting efficiency of the units.' Reduction in the strength of artillery is recommended on the ground of introduction of modern machinery.

After reviewing the army expenditure the Committee recommend:—

(1) The reductions which we have indicated be effected in the strength of fighting services; saving Rs. 303 lakhs per annum.

(2) Steps to be taken to organise an effective reserve and so enable the peace strength of the Indian battalions to be reduced to 20 per cent. below war establishment; saving Rs. 63 lakhs net per annum.

(3) The necessity for retaining the present system of four commands be reviewed in 12 months' time and that in the meantime the number of districts be reduced as far as possible.

(4) The authorised establishment of motor vehicles including reserves be limited to 1,600 the number of vehicles in use, and the mileage run be strictly limited and the system of rationing petrol be introduced.

(5) The supply services be reorganised on a less expensive basis and stocks held at depôts reduced.

(6) Commercial accounts be kept for all the manufacturing establishments and for the Remount department.

(7) The basis of capitation rate for the British troops now under revision be determined in the manner indicated in our report.

(8) The Government of India be given a full opportunity of reviewing any proposed changes in the administration of British troops involving large expenditure before such changes are brought into operation.

(9) The stocks of stores generally be largely curtailed, the stocks of ordnance stores including reserves be reduced from Rs. 14 crores to Rs. 8 crores, all surplus ordnance stores being disposed of.

(10) The budget estimate for 1923-24 be limited to Rs. 51,47,00,000 a reduction of Rs. 8,95,30,000 compared with the budget estimates for 1922-23, subject to such adjustment as may be necessary on account of the delay which must ensue in carrying out the proposed changes.

On the subject of Air Force the Committee say : ' Since the potentialities of the Air Force are only now being proved and there is a possibility that extended use of the Air Force might result in economies in expenditure on ground troops we make no recommendations.'

After critically reviewing the expenditure on the Royal Indian Marine the Committee recommend :—

(1) The service be drastically curtailed and reorganised on the lines suggested. (2) Dockyards be worked as a separate entity on a commercial basis. (3) Three troopships, the Dufferin, the Hardinge and the Northbrook be laid up forthwith and placed under care and maintenance of the parties until sold. (4) Only such vessels as are necessary for the essential duties of the Royal Indian Marine and for use as training ships for Indians be retained. (5) The Dalhousie, Minto, Nearchus, one patrol boat and four trawlers be dispensed with immediately and the number of military launches and Bombay yard craft be reduced. (6) The cost of maintaining the Lawrence be transferred to the Political estimates. (7) Recoveries from Port Trust, etc., for marine survey work to include a charge for interest on capital depreciation and pension allowances. (8) The budget estimate for 1923-24 be limited to Rs. 82 lakhs a reduction of Rs. 75 lakhs including Rs. 4,62,000 transferred to the Political estimates, the actual saving thus being Rs. 70,38,000.

The expenditure of the Military Works Department also comes under critical scrutiny and the Committee recommend :—

(1) That in view of the enormous outlay involved the whole arrangement for accommodating both British and Indian forces, and the constructional programme of the army already sanctioned by the Government of India, be reviewed. (2) Reappropriation of fund be prohibited except for works included in the sanctioned programme when reappropriation should be subject to the surrender of saving being justified by the financial situation. (3) The budget estimate for 1923-24 be limited to Rs. 3,78,05,000 net, a reduction of Rs. 76,92,000, including Rs. 10 lakhs transferred to the Royal Air Force, or a net saving of Rs. 66,92,000.

Reduction in Military Services.

After devoting 58 printed pages to the military services the Committee conclude part I with these important observations which suggest the possibility of fixing the military budget in the years to come at 50 crores ;

' We cannot conclude our report of the military services without saying that His Excellency the Commander-in-Chief and the Army Department have dis-

played whole-hearted disposition to reduce military expenditure, always bearing in mind the importance of maintaining the efficiency and the mobility of the forces for protection against outside aggression and internal disorder, and we desire to extend to them our grateful thanks for the assistance they have rendered. As we stated in our introductory remarks although the budget estimate for the military services in 1922-23 was Rs. 67,75,26,000, the full expenditure required during that year would, but for certain fortuitous circumstances, have amounted to Rs. 71,37,82,000. The gross reductions which we have indicated amounted to Rs. 13,95,52,000 but additional provisions of Rs. 23,00,000 for practice ammunition and Rs. 9,75,000 for gratuities to demobilised officers are required for 1923-24. If our recommendations are accepted and if they could all be brought into effect at once, the military budget for 1923-24 could be reduced to Rs. 57,75,05,000, but we recognise that it will take some time for the whole of these savings to materialise. The more quickly the reduction of troops are brought about the nearer will the actual expenditure approach this figure. The Finance department in framing their estimates will require to make an allowance for terminal charges, and for the expenditure which may necessarily be incurred during the period required to give full effect to the changes which we recommend. We are not in possession of data necessary for framing such an estimate.

The reduction which we have indicated of Rs. 13,95,52,000 includes approximately Rs. 21-4 crores for reduction in stocks which do not of course represent a recurring saving. The reductions however should ultimately lead to a substantial recurring economy by curtailing establishments engaged on the maintenance of stores, by minimising loss from deterioration, by reducing expenditure on the hire of ground and hire or construction of buildings, to say nothing of loss to India which is involved by the enormous amount of capital at present locked up in stocks. Further we are informed that in the near future there will be large automatic saving by the liquidation of various liabilities arising out of the war, for example, gratuities to demobilised officers, India's share of which in 1923-24 is estimated at £415,000. We, therefore, believe that the adoption of our recommendations will enable the estimates in subsequent years to be reduced to about Rs. 57 crores irrespective of any savings due to further economies or falling prices.

4. The above suggested reductions have been agreed to generally by the Commander-in-Chief, but in a great administration such as the Army in India, of which he is the responsible head, we recognise that in working them out and in giving practical effect to them he may find it desirable to make some minor modifications which may result in greater expenditure under one head and reduced expenditure under another. But so long as the increase involved is more than counterbalanced by the reduction, we consider that the actual working out of details should be left in his hands.

5. We do not however, consider that the Government of India should be satisfied with a military budget of Rs. 57 crores and we recommend that a close watch be kept on the details of military expenditure with the object of bringing about a progressive reduction in the future. Should a further fall in prices take place we consider that it may be possible after a few years to reduce the military budget to a sum not exceeding Rs. 50 crores although the Commander-in-Chief does not subscribe to this opinion. Even this is more, in our opinion, than the tax-payer

in India should be called upon to pay and though the revenue may increase through a revival of trade, there would we think, still be no justification for not keeping a strict eye on the military expenditure with a view to its further reduction. Having reviewed the expenditure of the military services we recommend that (1) the total net budget for 1923-24 be fixed at Rs. 57,75,00,000 subject to such addition as may be necessary on account of the delay which must ensue in carrying out the proposed changes and (2) the military expenditure after a few years be brought down to a sum not exceeding Rs. 50 crores.

Perhaps the most critical of all the reviews of the Committee relates to the railway expenditure, where the subject is examined from a business point of view, by a Committee which consisted solely of business men, and some strong strictures are passed where Committee think there has been deviation from ordinary business rule. A summary of its recommendations on railways is :—

(1) Steps be taken to curtail the working expenses as necessary, to ensure that under normal conditions an average return of at least 5½ per cent. is obtained on the capital invested by the State in railways.

(2) The present system of programme of revenue expenditure be abolished and that adequate financial provision be made annually by each railway for the maintenance and renewal of the permanent way and the rolling stock in the manner indicated in paragraph 7.

(3) Agents of railways be designated General Managers and made responsible for the administration, working and financial results of their railways.

(4) A financial adviser be immediately appointed to ensure that financial considerations are given their due weight before expenditure is incurred.

(5) Preparation of a scheme of grouping the railways be taken up forthwith.

(6) The budget provision for working expenses, including surplus profits, in 1923-24 be limited to Rs. 64 crores, subject to a further allowance to meet any increase in traffic reduction of Rs. 4,59,00,000 on the budget estimate for 1922-23 and of Rs. 3,50,00,000 on the preliminary estimate proposed for 1923-24.

In recommending a reduction of four and a half crores in the working expenses the Committee keeps in view the main principle that the relation of the working expenses to the revenue should be so adjusted as to provide for an adequate return on the capital invested. 'We are of opinion that the country cannot afford to subsidize railways and that steps should be taken to curtail the working expenses, as necessary, in order to ensure that not only will the railways as a whole be on a self-supporting basis but that an adequate return should be obtained for the large capital expenditure which has been incurred by the State. We consider that with economic working it should be possible for railways in India to earn sufficient net receipts to yield an average return of at least 5½ per cent. on the total capital at charge. The average return to the State during the three years prior to the war was 5 per cent. and in view of the fact that large amounts of additional capital are being raised at 6 per cent. or over we think a return of 5½ per cent. cannot be regarded as excessive. A return of 5½ per cent. on the total capital at charge in 1922-23 after an

allowance for all interests, annuity and sinking fund payments would yield roughly Rs. 85 crores to the central revenues.

We are informed that in deciding upon the amount of the central Government's deficit, which would have to be made good initially by contributions from the provinces Lord Meston's Committee assumed that the central Government would derive a net annual revenue of no less than Rs. 10,75,00,000 from the railways. It is evident therefore that the failure of the railways to yield an economic return on the capital invested by the state is one of the main factors responsible for the present financial difficulties of the central Government. A return of 5 per cent. would not merely go far towards bridging the deficit of the central Government but would with the economies which we recommended in the case of other departments, make it possible to give much needed relief to the provinces by a substantial reduction in the amount of their contribution.

On the question of the programme of future capital expenditure the committee remarks: 'We are informed that there are many remunerative schemes, such as the opening up of lines for the development of mineral resources, the electrification of suburban lines, etc., which at present cannot be taken up owing to the difficulty of obtaining capital. This being so, we cannot believe that it is legitimate under any circumstances to put Rs. 67 crores of capital, borrowed at a high rate of interest, into lines which are already a very drain on the resources of the State, and we recommend that, except in the case of commitments already entered upon, no further capital expenditure be incurred on these lines until the whole position has been examined by a financial adviser and reviewed by the Government. If the full amount of capital cannot immediately be employed on remunerative works on open lines, it would, in our opinion, be a matter for consideration whether some portion of it could not, with advantage be devoted to construction of new lines promising an adequate return. The question to be decided is whether when capital is so urgently required by some railways for remunerative purposes the country can afford to borrow large sums of money at the present high rates for expenditure on railways which are not only unable to earn 5 per cent. on their present capital, but which have to be subsidised by the general taxpayer. We consider that further expenditure on such railways can only be justified if it can be satisfactorily demonstrated that this expenditure will increase the net earnings of the railways sufficiently to cover the additional interest involved.

Dealing with the question of provision arrears of maintenance and renewal, the Committee says: 'It is necessary, however to take special provision to overtake the present arrears as no funds are available in suspense accounts. It is in our opinion, not practicable to make any general increase in rates and fares without adversely affecting the trade of the country'. We consider that the best course will be that each railway should credit a suspense account with a portion of any surplus funds available after payment of interest and sinking fund charges for the specific purpose of overtaking arrears of renewals. This provision should, we think, not exceed the average annual amounts, which would be necessary to overtake the arrears in five years. The overtaking of arrears on unremunerative railways must necessarily wait until the Financial Committee strongly recommends that steps be now taken to give effect to one of the most important recommendations of the Railway Accounts Committee that route and rate books be supplied to each station.

Summing up its views on railways generally the Committee observes: The Chief Commissioner is responsible under the Government of India for arriving at decisions on technical questions and he is solely responsible for advising the Government of India in matters of Railway policy. Considering the enormous stake which the Government of India have in the Railways and the financial relations which exist between the Government and the railways we think it essential that there should be an officer of the Government of India to protect the interests of the State, to consider schemes for development and to sanction capital expenditure. We consider it very important however, that his functions should be closely and clearly defined. The Agents, as they are now called, should, in our opinion, become general managers, should be made responsible for the administration, working and the financial results of their railways and should be free to conduct their undertakings on a commercial basis. The Chief Commissioner and his organisation should hold inquiries on the increase of serious accidents in the same way as the Board of Trade does in Great Britain. They should see that the lives of the public are fully safeguarded, that the proposed capital expenditure is fully justified as a commercial proposition before being sanctioned, that the construction of works and rolling stock conforms to recognised standards and that rates and fares are fixed at a level necessary to ensure that with economic working an adequate return is obtained on the large capital invested by the State in railways. The receipts and working expenses of railways amount together to more than Rs. 150 crores per annum and the magnitude of the financial interests of the State involved in these transactions makes it in our opinion essential that an experienced financial adviser should be associated with the Chief Commissioner. It is clear that such association is urgently required in order to ensure that financial considerations are given their due weight in the exercise by the Chief Commissioner of his proper functions.

There are also many other technical matters, such as the financial provision to be made for renewal of permanent way, bridges, rolling stock, etc., and the incidence of expenditure as between capital and revenue which can best be dealt with by a financial expert. We consider that each railway should compile and forward monthly statistical and financial returns showing its working results. These results should be summarised and scrutinised in the Chief Commissioner's office and in this way the working of all the railways in India would be focussed for the information of the member of the Council in charge of the railways The Chief Commissioner and the Financial Adviser should confer and the summarised results should be communicated to the general manager, which is not now done. So that each manager will be able to compare the results of his working with that of other railways. In this way by working in close touch with managers, the hon'ble member in charge of the railways and the Chief Commissioner should be in a position, while safeguarding the interests of the State to indicate directions in which improvement in working might be effected from the point of view of economy or public convenience. This was the procedure intended when the Railway Board was formed in 1908, as set out in the following statement. The conception of the Railway Board is not new. It was advocated and considered on various occasions for many years past. Its central idea is that there should be a body of practical business men entrusted with full authority to manage the railways of India on commercial principles and freed from all non-essential restrictions or needlessly inelastic rules. There are two distinct classes of duties with which the new author-

ity will have to deal. The first is deliberative and includes the preparation of the railway programme and greater questions of railway policy and finance affecting all lines. The ultimate decision on such questions must of necessity rest with the Government of India The second class of duties is administrative and includes such matters as the construction of new lines by State agency, the carrying out of new works on open lines, improvement of railway management with regard both to economy and public convenience, arrangements for through traffic and the settlement of disputes between railways. The conception of the functions of the Railway Board fell into disuse and detailed control of the railways passed into the hands of a board stationed at Calcutta and Simla and latterly at Delhi and Simla and the agents found themselves more or less paralysed as stated in the Acworth Committee's report. Many references on trivial questions have to be referred by the agents of railways to Delhi involving a great amount of correspondence and delay.

We are told that in almost every case the result is approval of the agent's proposals. We agree that this excessive centralisation is wrong. The general manager of a great railway should not have to refer minor matters connected with the working of his railway to a centralised headquarters in Delhi or Simla but should be empowered to give decisions and be free to attend to the working of his line. His management should be judged by results and if it is unsuccessful, apart from fortuitous circumstances over which he has had no control, he should be relieved of his duties. We think the question of the salaries of general managers might, with advantage be considered. They are paid very much less than general managers of railways in Great Britain and it is most important that the very best type of man should be secured by giving him adequate remuneration. It might be objected that in this way the general manager of a railway would possibly be more highly paid than the commissioner or chairman of the railway Board, but the general managers of railways in England are much more highly paid than the chairman of the boards of directors and there is no reason why the same system should not be adopted in India. At present certain restrictions are placed on the salaries of managers of railways in India by laying it down that they must not receive more than certain other highly placed officials, but in commercial undertakings, such as railways, we are satisfied this is a mistake and the rule should be abrogated. We are convinced that in a country like India with her vast territory and differing peoples and circumstances it is an impossibility to control details of all the railways from Delhi or Simla as at present. Decentralisation is in our opinion essential if the railways in India are to be developed on economic lines. It is generally agreed that large economies could be effected by grouping the railways on the lines recently adopted in Great Britain and we recommend that the preparation of a scheme be taken up forthwith. We consider the existing systems could well be amalgamated into any five groups, but although certain lines would appear to fall naturally into the same group, some time and study may be necessary to evolve the most suitable and economical scheme. We have discussed this report with the Chief Commissioner of Railways, who accepts the conclusion of the committee that in the present circumstances reductions in the railway budget are unavoidable. Naturally he may think it convenient in working up to them to make certain alterations in the method of arriving at them and this we quite realise. He is in general agreement with many of our recommendations, although he must give careful

consideration to the means of effecting them. The Chief Commissioner was good enough to say that he considers that report extremely valuable.

The Committee have in their report under the head General Administration, referring to the expenditure on the Governor-General's staff, stated that His Excellency the Viceroy has informed us that in view of the present financial situation he has given instructions to reduce the estimate for his bodyguard by Rs. 40,000 and for his band by Rs. 42,000 thus saving Rs. 82,000 compared with the budget grants for 1922-23.

The Committee recommend reductions under every department of the Government of India and propose a re-allocation of the business consisting of the present five heads Education and Health, Revenue and Agriculture, Commerce, Industries, and Public Works. These five departments now cost in all about Rs. 24,68,900 and by a re-allocation their activities would be compressed into two departments, Commerce and General, both costing Rs. 13,00,000 thus making a saving of about Rs. 11,50,000.

As regards the members of the Executive Council Sir Rajendranath Mukerjee suggests that the Indian members of the Executive Council might, as recommended by the Bengal Retrenchment Committee receive one-third less salary than their European colleagues as the latter have greater expenses to meet, being away from their home.

On the subject of expenditure in England the Committee recommend reductions both in the expenses of the India Office and the High Commissioner's Office. The Committee observes :—We recommend that the question of expediting the transfer to the High Commissioner of the remaining agency subjects still administered by the India Office be considered with a view to effecting such transfer if practicable, before the termination of the present settlement with the Treasury. Under Section 19-A of the Government of India Act the Secretary of State in Council has power to regulate and restrict the excercise of the powers of superintendence, direction and control, vested in the Secretary of State and the Secertary of State-in-Council. We recommend that the Secretary of State-in-Council and the Government of India should examine whether any minor references which have now to be made to the Secretary of State in Council cannot be dispensed with, so as to reduce the work both in England and in India. On the question of the purchase of stores the Committee, while recommending the High Commissioner thoroughly to review the position to expedite compliance with indents, also strongly deprecates the fact that indentors frequently tie the hands of the High Commissioner by asking him to get stores from particular manufacturers, thus inevitably paying a higher price than would otherwise be the case. The High Commissioner has quoted instances in which large sums of money have been lost, both to the central and provincial Governments, by the restriction to one source of supply. The Committee recommend that strict orders be passed prohibiting such restriction and also preventing private communications between indentors and suppliers without the knowledge of the High Commissioner. The post of Indian Trade Commissioner in London is to be abolished, because with the creation of the High Commissioner the duties of the Trade Commissioner could more economically be carried out by the High Commissioner.

The Hon'ble Mr. Purshotamdas Thakurdas has added supplementary notes to the Committee's report. They are in respect of the India Office, the Ecclesiastical department, the Indo-European Telegraph department and the Post and Telegraph departments. The note relating to the India Office is very exhaustive and covers six pages. The Committee after going into the matter have recommended that the grant-in-aid from the Treasury, to the cost of the India Office be reviewed and the net cost of that Office be reduced by £48,700 under the head general administration, and by £2,700 under stationery and printing. Mr. Purshotamdas in his note reviews the constitutional position of the India Office expenditure since the reforms and says the expenditure of the India Office not debitable to the British Treasury is a charge on the Government of India. Being still subject to the superintendence, direction and control of the Secretary of State for India the Government of India can hardly be expected to have any effective control over the expenditure of the India Office although such work may be for work of an agency nature. If the British Treasury have to bear every year a definite proportion of actual expenditure of the India Office they would control the expenditure of the India Office and the Government of India would share the benefit of such control. As long as any agency work is left with the India Office the division of expense between the Indian Exchequer and the British Treasury would necessarily entail the effective voice of the British Treasury in the expenditure of each department, but the interest of the British Treasury in the economical working of the India Office practically ceases with the fixing of the grant-in-aid payable by them for a number of years. Thus the India Office are left without any controlling authority at all. The main principle accepted by the British Treasury and Parliament would warrant no charge for the India Office in London being debited to the Government of India as soon as all the agency work performed by the India Office before 1919 is transferred to the High Commissioner. Not only has all the work of an agency nature not still been transferred but the information submitted to the committee compels me, says Mr. Purshotamdas to conclude that the India Office is not likely to complete the transfer for a considerable time to come. The India Office Mr. Purshotamdas complains, have not given to the Committee any of the reasons that necessitated the delay in transferring the work of recruitment of 29 subjects to the High Commissioner up till now and hopes that they would easily complete it by the 1st March at the latest. Proceeding he says the afermath of the war and certain questions under discussion in connection with the war accounts between the India Office and the War Office, when settled are expected to result in the reduction of the staff paid for by India to a certain extent, but the India Office say that some of the increased charges since 1914 threaten to be permanent on India as a result of fresh work and fresh problems connected with the establishment of a new normality in the financial, economic and administrative world. The India Office have not specified definitely the fresh work and fresh problems connected with the establishment of a new normality since the war. If the fresh work entailed is of the nature of agency work it would be looked after by the High Commissioner under the instructions of the Government of India. If as is more likely the fresh work is of a political nature it would form a normal part of the work of imperial administration and as such it should be a charge on the British Exchequer as correctly contemplated by the Parliamentary Committee. In either case it is difficult to see how the cost of

the India Office to India should increase for such work. In conclusion Mr. Purshotamdas says: I see no reason why the pay and pension due by the Government of India should not be paid by the Imperial Bank of India or failing it, by the High Commissioner on behalf of the Government of India. A single control of agency work by servants of the Government of India acting under the Government of India's orders and responsible to them can alone conduce to the maximum economy and not a duplication of work in London as it happens to go on at present. These changes should be brought about forthwith and then the India Office should cost nothing to the Indian Exchequer since the India Office would then be left with only the political work which has been approved as a fair charge on the British revenues.

The recommendations for reduction under General Administration are summarised thus:—

(1) The Railway department and Posts and Telegraph department be grouped in a single portfolio; that the activities of certain departments be curtailed, and the remaining subjects dealt with by them be concentrated in two departments, namely, the Commerce department and the General department, the total cost of the Secretariat being restricted to Rs. 53,55,000 a saving of Rs. 14,08,000.

(2) The appointment of Inspector General of Irrigation be abolished, and the functions of the Central Intelligence Bureau curtailed, and a saving of Rs. 3,95,000 effected in the cost of attached offices.

(3) Reduction of Rs. 40,500 be made in the expenditure in minor administrations.

(4) The grant-in-aid from the Treasury to the cost of the India Office be reviewed and the net cost of that office be reduced by £48,700 under the head 'General Administration' and by £2,700 under Stationery and Printing.

(5) The arrangement for the purchase of stores by the High Commissioner be reviewed.

(6) The net cost of the High Commissioner's office be reduced by £52,000 under General Administration, and by £2,000 under Stationery and Printing.

(7) The budget estimate for 1923-24 for General Administration be limited to Rs. 1,48,68,000 a reduction of Rs. 49,89,000 (including £109,000 or Rs. 16,35,000 transferred to the head Interest). This will give a net saving to the country of Rs. 33,54,000.

The Committee next deals with political expenditure. The Committee recommends that when conditions in Waziristan have settled down either the Resident in Waziristan or the Political Agent for Wana be abolished, thus keeping only one agent. On the question of the regular forces on the Frontier, such as scouts, tribal levies, district levies and khassadars, the Committee recommend that no further increase be made in the strength of the forces, and that the existing establishment be reviewed as soon as the position on the Frontier is established with a view to effecting progressive reductions in the cost of Frontier defence.

On the question of the administration of Aden the Committee does not consider that India's share in the military expenditure for the Aden garrison is in strict accordance with the Welby Report and recommends for examination and adoption the view suggested to the Committee that as a possible solution of the Aden question, the Aden settlement town and port should remain part of India, all civil and military administration resting with the officers of the Indian Government ; but that Aden Protectorate and the political arrangements should be taken over by the British Government which could obtain on payment from India such Indian troops as were necessary for the purpose.

The Committee feels impressed with the heavy liabilities imposed on India during the war in respect of expenditure in Persia, and strongly recommends that the present arrangement be revised without delay and that India's liabilities in Persia be strictly defined and limited. Other recommendations under the head of Political are :—

(1) If the groups of states and estates in the Bombay Presidency remain with the local Government it be considered whether the charges cannot be transferred to provincial revenues or in the alternative, whether the bulk of the states and estates cannot be grouped under a single Agent to the Governor-General and the expenditure reduced to pre-war level.

(2) The charges for political expenditure in Burma be provincialised.

(3) Political expenditure for 1923-24 be limited to Rs. 2,47,44,000, a saving of Rs. 45,70,000.

Under Ecclesiastical expenditure the Committee recommends a cut of two lakhs.

Mr. Purshotamdas in his supplementary note says that it is capable of further reduction. At the outset he refers to the 50 years public criticism of the policy underlying this expenditure both from the point of view of finance and other points of view, such as disparity of treatment, giving the lion's share of State assistance to one church or the alleged inequity of taxing the Muslim and the Hindu communities to support the Christian religion. Proceeding, he says : I understand that in hardly any Dominion or Crown Colony is a system such as the Indian system is in force. The conditions prevailing at present in India are substantially different from those prevailing in India in 1846 or 1883. In 1846 practically all Europeans in India came as servants of the East India Company. Since then and ever since 1883 the number of European Christians in India has materially increased on the side of the non-official population. I do not believe that they are not capable of paying for their religious ministrations. There is no reason why European Christians who I understand pay to a large extent for their own religious ministration in all European countries and in the Dominions and the Crown Colonies of the British Empire should feel hurt by being asked to spend for their own religious ministrations in India as indeed the rest of the population of India, Hindus, Mohammedans, Parsees and Jews, etc., have been doing. The foregoing considerations lead to the conclusion that no State aid is in principle necessary in India for the religious ministrations of any community although the policy and custom followed till now may warrant the exception of British troops and of European Christian servants of the Crown. On this principle the existing expenditure of the Govern-

ment of India under the head 'Ecclesiastical' is capable of further substantial reduction than that recommended by my colleagues. The number of chaplains should be steadily reduced by not filling up vacancies as they occur till the minimum necessary for purely military stations at which British troops are placed in sufficiently large number is attained. Concluding the note Mr. Purshotamdas records his opinion that expenditure on religious teachers for Indian troops is unnecessary except on the Frontier or outside India. The parallel of regimental Chaplains attached to British troops in England or of chaplains for British troops in India need not be followed in regard to Indian troops in peace time since neither tradition and practice till now nor the finances of the Government of India want such an innovation at this stage.

Under other heads the Committee criticises the manner in which the forests service has been run and recommends that :— (1) control of the Forest department be vested in a manager with commercial experience in the timber industry ; (2) the accounts of the department be placed on a commercial basis ; (3) the estimates for 1923-24 be limited to Rs. 45,55,000, a saving of Rs. 6,90,000.

The Committee draws pointed attention to the position regarding interest and sinking funds. The total unproductive debt of India is 17,38,65,000. The sinking fund includes—(*a*) an annual provision of 500,000 in respect of the portion of the British Government war loan taken over by India in connection with her contribution to the War ; and (*b*) Rs. 154 lakhs for the two 5 per cent. long term loans floated in India in 1917 and 1919. When these loans were raised an undertaking was given by the Government that, in order to keep up their price in the market, an amount equivalent to 1½ per cent. of the original issue of the loans would be set apart every year for the purchase and cancellation of securities belonging to the loans. It was found that this depreciation fund had no appreciable effect in keeping up the price, and it was decided in March, 1920 to supplement by a further appropriation of Rs. 80 lakhs a year to be devoted to the same purpose. We recommend that the purchase for the sinking funds be made periodically by open tender. The large increase in the interest payable on unproductive debt is due to two main causes (1) the £100,000,000 contribution made by India towards the cost of the War ; and (2) the series of deficits from the year 1918-19 onwards amounting including the estimated deficit in the current year to over Rs. 100 crores.

The report continues : We deal further with this question in our general conclusions, but it is apparent that the heavy increase in the dead weight charges for unproductive debt must form a great burden on the tax-payer. We have already observed in our report on railway expenditure that further capital outlay, on the huge scale contemplated, on railways that are being worked at a serious loss to the State can only be justified if it can be satisfactorily shown that the net earnings of the railways to which it is applied will be increased sufficiently to cover the additional interest charge.

On the question of exchange the Committee observes. We consider that the best course would be to show all English expenditure in sterling both in the estimates and in the accounts. The rupee equivalents would be shown in parallel columns, and the sterling payments should be converted in Budget estimates at the assumed rate of exchange and in the accounts prepared at the end of the year,

at the actual or average rate prevailing the year. If this course were followed, the separate entry under the exchange head would disappear from future estimates and accounts and the estimated and actual expenditure in rupees would be shown in both. It has been represented to us that the present method of compiling the accounts is somewhat confusing, and if the procedure which we suggest were adopted, the budget and the final accounts would be better understood.

On the subject of new Delhi the Committee refrains from making any observation because, in the words of the Hailey Committee, the project could neither now be abandoned nor materially altered in the present state of the country's finances but the Committee takes strong exception to the estimated cost of the new railway station in connection with the capital scheme. The estimated cost of the new station, as at present contemplated, together with consequential expenditure amounts to Rs. 1,44,00,000. If this sum is added to the capital cost of the Agra-Delhi Chord Railway, it will entail a serious loss on the working of that line ; as far as we can judge there is little prospect of much additional revenue accruing from the new construction. We ascertained that land has been purchased for the construction of a much larger station than is now proposed, the total ultimate cost being estimated at about Rs. 2 crores. We are of opinion that there is no financial justification for the construction of the new station, and we recommend that the present scheme be again reviewed with the object of curtailing the expenditure as far as practicable. For example, we are informed that the estimated cost of the proposed station buildings amounts to Rs. 26,00,000. We consider that expenditure on this scale is extravagant, and that a less expensive station could be constructed which would meet the probable traffic requirements for many years to come and at the same time be capable of being enlarged, if and when traffic develops on a larger scale.

Concluding the committee makes the following observations :—

The budget of the Government of India for 1922-23 as finally passed left unbridged a revenue deficit of Rs. 9,16,28,000. This was the fifth of a succession of deficits amounting in the aggregate to about Rs. 100 crores and it is now apparent that the current year's deficit will work out at a figure considerably higher than the budget estimate. The causes of these deficits are well known and it is unnecessary to state them but it is clear that the country cannot afford the heavy charge involved by further huge additions to the unproductive debt and that if India is to remain solvent immediate steps must be taken to balance her budget. The problem does not end here. Under the existing settlement annual contributions to the extent of Rs. 983 lakhs are (subject to a temporary remission of Rs. 63 lakhs in the case of Bengal) payable by the provinces to the Central Government. It is contemplated that these contributions should be progressively reduced and the matter is being continually pressed by the provinces which are also suffering from acute financial difficulties by their Legislatures and by the press. Since 1913-14 new taxation estimated to yield Rs. 49 crores anually has been imposed and the extent to which it is possible to impose further burdens on the tax-payer is now very limited. While therefore, it is evident that an improvement of something like Rs. 20 crores will have to be obtained in order to make the position secure it is no less evident that the main source of relief must be looked for in the retrenchment of expenditure.

We recognise that it will not be possible to secure in the ensuing year the complete reductions proposed, as under the rules notice must be given to surplus establishments. Large reorganisations cannot be effected immediately, and large terminal payments will be necessary. In some cases it will also be necessary to make provision for increments to establishments on time-scale salaries. We recognise also as stated in paragraph 3 of our general conclusions on the military services, that some of the reductions proposed represent reductions in stocks of stores and are therefore non-recurring. Even allowing for these factors, however, we believe that our recommendations, if carried out, will go far towards solving the problem of restoring India's finances to a secure basis.

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BY
L. F. RUSHBROOK WILLIAMS
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Director of Public Information
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EXPLANATION.

Except where otherwise mentioned a pound sterling is equivalent to fifteen rupees. To minimise confusion the rupee figures are also given in important statistics. Three crores (30 million) rupees may thus be taken as equivalent of £2 million sterling; and three lakhs (3,00,000) rupees are equal to £20,000.

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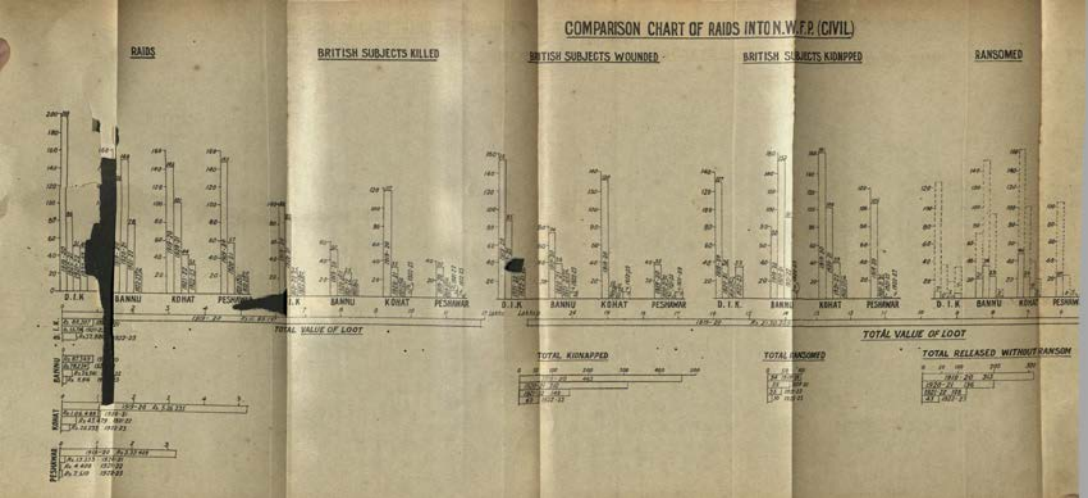
COMPARISON CHART OF RAIDS INTO N.W.F.P. (CIVIL)



COMPARISON CHART OF RAIDS INTO N.W.F.P. (CIVIL)

FOR OFFICIAL USE ONLY.

BRITISH SUBJECTS KILLED

BRITISH SUBJECTS WOUNDED

BRITISH SUBJECTS KIDNAPPED

RANSOMED

RELEASED WITHOUT RANSOM

TOTAL VALUE OF LOOT

TOTAL KIDNAPPED

TOTAL RANSOMED

TOTAL VALUE OF LOOT

TOTAL RELEASED WITHOUT RANSOM

TOTAL KILLED

TOTAL WOUNDED

General Staff India

India in 1923-24.

CHAPTER I.

India and the Nations.

The Great War has brought in its train many consequences both immediate and remote ; but it may be questioned whether any of these will be reckoned by the historian of the future so profound and so far reaching as the effect which it has produced on India. Prior to 1914, India, like the rest of Asia, had begun to feel restless beneath the impact of Western civilization. This civilization, for many years regarded as a phenomenon extraordinary and indeed superhuman in its omnipotence, had forfeited the glamour of novelty, and was now seen to possess the defects of its qualities. More important still, its mastery over material force had lost the inexplicable character which at one time distinguished it in the eyes of the people of the East. For the recent example of Japan, and her triumph in the war against Russia, had shown that Asiatics could themselves successfully emulate the hitherto unchallenged might of the Western world.

East and West.

These currents of opinion were of particular importance in India, which, after a century of British rule, had begun to react powerfully to the irritant provided by the presence of an alien and unassimilable civilization. While on the one hand, there arose a disposition to magnify the achievements of India in past ages, as a contrast to her position of inferiority in modern times, it was plain, on the other, that the material influences of Western civilization were lending to the peoples of the sub-continent a unity which had hitherto been lacking. Modern communications were breaking down age-long barriers ; an educated middle-class had sprung from the conditions of British rule, and was now discovering common aspirations expressed in the medium of a common language. As a result, this class began to dispute the right of foreign rulers, however praiseworthy their intentions or efficient their achievement, to control for ever the destinies of an ancient and civilised people numbering one-fifth of the human race.

India before 1914.

But before the outbreak of the Great War, the aspirations of the Indian Nationalist movement were comparatively restricted. With the exception of a small group, mainly nihilist in inspiration, which sought complete independence, the majority of the class interested in political progress were content to claim for their own countrymen a share in place and power. At home, there was little inclination to call for the disappearance of the British permanent official. It was to the monopoly of power, and to the control of policy characterising the bureaucracy, that objection was voiced. Abroad, the political horizon of India was limited to a consideration of the ties which bound her to Britain. Her principal anxiety was based upon the belief that the material resources of the Empire were being employed to maintain British administrators in the monopoly of a position which the sons of the soil were now rightfully entitled to share. But in consequence of the moral and material movements set in operation by the World War, a remarkable change came over the spirit of Indian Nationalism. The isolation which had formerly characterised the outlook of Indian politicians was now broken down, as the country found herself in the full stream of world affairs. In the prosecution of the struggle India became intimately associated with members of the British Commonwealth, who inferior to herself in population, in resources, and in continuity of culture, were nonetheless free nations enjoying complete control over their own destinies. The War gave to India two new conceptions, both of which were destined to exercise a profound influence upon her political future. The first was a new estimate of her potential importance in the civilised world; the second, an enhanced perception of the rights and dignity of nationality.

The changing spirit.

Concurrently with this, there was an increasing realization on the part of Imperial statesmen of the significance of India to the British Commonwealth. The part which India had played in the War, and the assistance given to the Allies by her immense resources, imperfectly utilized as they were, came as nothing short of a revelation to many. This impression was deepened when, as a result of the Allied victory, it seemed probable that the storm-centre of the world would shift from West to East. Those who pride themselves upon an accurate perception of the future course of world politics, are beginning to envisage a struggle which shall be waged not between rival exponents of Western culture, but between whole races of mankind; and, in fact, we can no longer deny that one of the gravest perils menacing humanity in the near future is the conflict between

men of different colours. Now the possibility of averting such a calamity is plainly increased if India, with her 320,000,000 of people, can be retained within the boundaries of the British Commonwealth of her own free will. Even apart from the influence which her population and her resources would wield when thrown into the balance on the side of world peace, her presence as a member of the greatest association of free nations which mankind has known, would unquestionably serve as a bridge across which the opposing cultures of East and West might advance to a mutual understanding.

Great as is the ideal embodied in this conception, it is by no means beyond the compass of practical politics. But it depends for its achievement upon the ability of British statesmanship to convince the Indian people that the satisfaction of their aspirations lies in this direction. Since the War, as a result of the two conceptions we have already noticed, the mentality of those who are leading the politics of India has undergone a remarkable metamorphosis. There has arisen a fixed determination to be content with nothing less than control over their own destinies; combined with a burning resentment against any conditions which would seem to stamp Indians with inferiority to the free peoples of the world. The quick pride of a sensitive people has suddenly awakened to the fact that in the world's estimation, as evidenced in innumerable ways, their status falls far short of their measure of their own worth. The time has gone by when any useful purpose will be served by examining the justification of these feelings. We must notice that they not only exist, but are the dominant factor in the mentality of educated India to-day. They account for the impatience, for the failure to perceive the rapidity of the progress now being made in many directions, which competent observers have pronounced to be so characteristic of post-war India. Indeed, the more cautious say that the Indian intelligenzia exhibit the mentality of a traveller who is consumed with the desire to arrive at the end of a long and difficult journey. Every stage, no matter how essential, is a fresh grievance; any obstacle, no matter how inevitable, an intolerable outrage; every advance, no matter how noteworthy, is ignored and forgotten in comparison with the distance which has yet to be painfully traversed. For this reason, the progress achieved by India since the War, striking though it may appear to the unbiassed observer, has quickened rather than appeased the sense of unsatisfied desire.

The Mind of Educated India.

The future historian of the Indian nationalist movement will fail to convey an adequate conception of its intensity, if he represents it as

deriving its characteristic impetus from the exasperating inertia of reaction. In point of fact it is difficult to deny that India is advancing both rapidly and surely towards the goal which the intelligenzia desire, and only by comparison with their natural and inevitable impatience at the delays inseparable from the early stages, does the pace appear slow and hesitant. In the sphere of internal development, the policy of the British administration has been laid down once and for all as the progressive realization of responsible government of the kind enjoyed by the self-governing Dominions of the British Commonwealth. In the external realm, the association of India with the free nations of the Empire in successive Imperial conferences; the signature of the Peace Treaty by representatives of the Indian Government; and the representation of India in the Governing Body of the International Labour Office as one of the eight leading industrial nations of the world, mark a complementary advance.

India's progress.

These changes, as has already been indicated, have but served to point the contrast between the natural aspirations of India, and the imperfect measure in which these aspirations are at present satisfied. The impatient indignation which now characterises the political life of the country, is leading men to ask whether India can ever attain her rightful position within the ringfence of the British Commonwealth; and whether any misfortune that can befall a people may not ultimately be preferable to a position of inferiority at home, and of humiliation abroad. It must be noticed that the most considerable element of Indian political opinion has as yet no inherent desire to sever its connection with the British Commonwealth. There is a clear perception of the preponderating benefits, both material and moral, which their country derives therefrom. But apart from a tendency, natural to the prevailing mentality, to underestimate the reality of these advantages, the question is already being freely ventilated as to whether, assuming them to be reckoned at their highest possible valuation, they may not be purchased too dearly, at the cost of national self-respect. In India's present mood this question is likely to receive an answer based rather upon impulse then upon consideration. It is the task of British statesmanship—and there have been few heavier laid upon the shoulders of mankind—to convince India that whatever the remote future may hold for the Indo-British connection, there is room for her within the Commonwealth to rise to the full height of her national stature, and to attain those noble privileges, coupled as

Her Impatience.

they are with grave responsibilities, which the self-governing Dominions enjoy. In a later chapter we shall have occasion to notice the manifestation of India's changed mentality in the sphere of internal politics. We have here to examine its operation in the realm of International affairs.

Injuries to National Pride.

Much harm would be done by failing to recognise that the treatment accorded to Indians in certain of the self-governing Dominions, and in the Colonies, is not such as befits the dignity of a country whose destiny is on all hands admittted to be Dominion status. There are at present about one and a half million Indians settled in other parts of the Empire. The movement of emigration has, broadly speaking, been of two kinds. The first was that of unskilled labourers, either under indenture, as in the case of Fiji, Mauritius, Natal and the West Indies ; or under some special system of recruitment, such as was adopted in Ceylon and Malaya. The second is the spontaneous emigration of persons belonging to the classes of traders, skilled artisans, clerks and professional men. Where emigration of the first kind has taken place, emigration of the second kind has usually followed ; as the ex-indentured labourers and their descendants gradually form a community, they are joined by traders, who come primarily to serve their needs. Spontaneous emigration has however also taken place to countries where there has been no emigration under indenture. This is particularly true of the East African territories and of the Dominions with the exception of South Africa. The net result is that the large population of Indians overseas consists of men who represent a variety of walks of life and cannot, save by the veriest travesty of facts, be classed indiscriminately under the contemptuous appellation of " Coolie." While in certain localities these settlers are treated on an equality with citizens of self-governing countries, in others they have definite and well-defined grievances. The principal points at issue between India and those portions of the Commonwealth in which her nationals are treated on a basis of inferiority are, in general, the right of franchise and the conditions under which Indians can emigrate and obtain and retain domicile ; and in Africa further, the right of Indians to hold land, to enjoy trading facilities, and to escape from compulsory segregation. There is, of course, a manifest distinction in this respect between the self-governing Dominions and the Colonies. So far as the former are concerned, they themselves, since they enjoy control over their domestic affairs, are responsible for the manner in which the Indians within their confines are treated. But in the case of the Colonies, India takes Great

Britain to task for any inequalities of treatment regarding which her nationals may complain. An illustration of this distinction is provided by the matter of emigration. So far as the Dominions are concerned, this matter has for the present been settled. In the Imperial War Conference of 1918, there was passed a reciprocity resolution, which affirmed the right of each community of the Commonwealth to control, by immigration restrictions, the composition of its own population. Since such reciprocity was likely to bear more hardly upon India than upon other groups within the Empire, it was further recommended that facilities should be given to Indians for visit and temporary residence; that domiciled Indians should be permitted to bring in their wives and minor children; and any civic and social disabilities to which Indians resident in the self-governing Dominions were subjected, should be given early consideration. This position has been accepted by reasonable Indian opinion, which recognises that if the Dominions desire to exclude Indian immigrants it is within their power to do, just as it would be within the power of India to exclude immigrants from the Dominions. But in the case of territories which have not attained Dominion status, and are still under the direct control of the Colonial Office India is not prepared to accept the policy of exclusion. She claims those rights of immigration which are exercised by citizens of other parts of the Empire.

Immigration.

Apart from the question of immigration, there remains the further aspect of the treatment accorded to Indians already settled in other parts of the Commonwealth by the Government of the territories themselves. With the exception of New Zealand and Newfoundland, the Governments of other Dominions have for long subjected Indians resident within their borders to certain disabilities. Against these disabilities Indian opinion has protested with increased vehemence. In the Imperial Conference of 1921, the assembled Dominions' representatives, with the unfortunate exception of the South African delegates, agreed to a resolution which admitted in principle the entire justice of Indian claims. The Conference, while reaffirming its previous statement that every community in the British Commonwealth should enjoy complete control of the composition of its own population, recognised the incongruity between the position of India as an equal member of the British Empire, and the existence of disabilities upon British Indians lawfully domiciled in some other parts of the Empire. The opinion was therefore expressed "that in the interests of the solidarity of the British Commonwealth, it was desirable that the rights

Other Questions. Their.

of such Indians to citizenship should be recognised." At the same time a further advance of considerable importance from the Indian point of view was registered by the suggestion that India should negotiate direct with South Africa in regard to the position. As a result therefore of the Conference of 1921, the principle of equality for which India is contending was conceded; while the institution of direct negotiation between India and a self-governing Dominion constituted a guarantee that the Indian case would be presented with all possible force and freedom.

The Imperial Conference of 1921.

At the meeting of the Prime Ministers and representatives of the Commonwealth in the summer of 1921, it was informally suggested that a deputation from India should visit Canada, New Zealand and Australia in order to consult with these Governments with a view to giving effect to the resolution. Accordingly, after this proposal had been officially endorsed, the Right Honourable V. S. Sastri, accompanied by Mr. G. S. Bajpai as Private Secretary, was deputed to visit Australia, New Zealand and Canada in May 1922. In Australia Mr. Sastri drew the attention of the Government to certain small disabilities which Indians share with other Asiatics. He succeeded in inducing the Queensland and South Australian Governments to remove some disqualifications which existed; but despite the expressions of sympathy evoked by his skilful advocacy of the Indian cause, no positive action was taken in respect of his demand for equality of franchise. In New Zealand, Mr. Sastri found that the conditions under which domiciled Indians live are as satisfactory as anywhere in the Empire; and he experienced no difficulty in coming to an understanding with the New Zealand Government upon certain small points which entailed negotiation. In Canada, he obtained an assurance from the Prime Minister that the consideration of Parliament would be invited to the request that Indians resident in Canada should be granted parliamentary franchise on conditions identical with those governing the exercise of that right by other Canadian citizens. But in British Columbia, where neither the Provincial nor the Municipal franchise is enjoyed by Indians, Mr. Sastri's representations achieved little success on account of the popular prejudice arising from economic rivalry between the white and non-white races. On the whole, it is not unfair to say that while as a consequence of the 1921 resolution, the justice of India's claim on behalf of her citizens resident in the Dominions—with the exception of South

Positive Results.

Mr. Sastri's Mission.

Africa—was freely admitted, several of the Governments concerned, either from apathy or as a result of local difficulties, did not succeed in carrying this resolution into effect.

The dissent of the South African delegates from the 1921 Resolution was particularly unfortunate, for two reasons. In the first place, the number of Indians who are subject to the Union Government amounts to no less that 160,000.

South Africa.

In the second place their position has for some time been wholly unsatisfactory from the standpoint of India. The trouble occurs principally in the Transvaal where Indians are politically helpless ; and in Natal where, though they possess the municipal franchise, their position has for some years been an object of serious attack. In the Orange River Province, where the number of Indians is minute, and in the Cape Province, where the policy prevails of equal rights for every civilized man, there have been no difficulties. Elsewhere, the trouble came to a head in 1919, when a decision of the Transvaal Provincial Court had endangered certain rights which it was understood had been secured by an agreement arrived at in 1914 between General Smuts and Mr. Gandhi. In the same year, anti-Indian agitation rose to such heights in South Africa that the Union Government appointed a commission to enquire into the question of Asiatics trading and holding land in the several provinces. Despite the efforts of the Government of India to secure the adequate presentation of the Indian case, the Commission recommended the retention of a law prohibiting the ownership of land by Asiatics in the Transvaal.

The right which Indians had previously enjoyed of acquiring and owning land in the Uplands of Natal was also threatened by a recommendation of the Commission. Against this latter proposal the Government of India earnestly protested, and it has not been accepted by the Union Government. A further success achieved by the Government of India lay in the fact that the Commission had declined to recommend compulsory segregation.

Anti-Indian Measures.

But feeling ran so high against Indians in certain parts of South Africa that persistent endeavours have been made during the last two years to endanger still further their already precarious position. In Natal, two ordinances were introduced of a kind wholly unacceptable to Indian sentiment. They were vetoed, however, by the Government of South Africa. During the year 1922-1923 renewed attempts were made to introduce them. The most important of these enactments was an ordinance dealing with the township franchise. It was reintroduced in 1922

and in a modified form in 1923. In each instance the Union Government withheld their approval, and gave proof of their desire that the utmost care should be exercised before any step is taken likely to affect the position of Indians in any part of South Africa.

No small credit for the achievement of this result is due to the energetic representations addressed to the Union Government by the Government of India. During the period under review, however, an even more formidable danger menaced Indians resident in South Africa owing to the introduction by the Union Government of a measure entitled "The Class Areas Bill." This, though not specifically directed against Indians, contained provisions which could be used in urban areas for the compulsory segregation of Asiatics. Indian opinion was deeply agitated over the prospect of this legislation, which, in the existing state of public opinion in South Africa, might well have led to the utter ruin of many Indian traders at present carrying on their business in several Provinces of the Union. In response to the vigorous protests made by the Government of India, the Union Government gave an assurance that it was their desire and intention to apply the measure, if it became law, in a spirit of fairness to the interests and reasonable requirements of resident Indians. The Government of India, whilst welcoming the assurance, were unable to rest satisfied with this position. They put themselves at the head of Indian sentiment in the matter, and strenuously pursued every effort to persuade the Union Government to abandon the project. For the moment, in consequence of the unexpected dissolution of the South African House of Assembly in April 1924, the bill has lapsed.

The Class Areas Bill.

From a consideration of the position of Indians in the self-governing Dominions, we may briefly advert to the problems connected with their position in those portions of the Empire which have not obtained Dominion Status. In certain of the Colonies, Indians are under no political or legal disability of any kind, and possess the same opportunities of becoming members of elective bodies as any other British subjects. In the West Indies, for example, where in British Guiana, Trinidad, and Jamaica, there is a considerable Indian population, the position of an Indian is the same as that of any other British citizen. In Ceylon, under the revised constitution about to be issued, qualified British Indians will be eligible for the franchise without any discrimination on the ground of race. In Mauritius also, there is no adverse discrimination against Indians. In Fiji, however, the Indian population have distinct grievances. Their

Indians in the Colonies.

principal demands are for more adequate representation upon the Legislative Council; municipal franchise based upon a common electoral roll; and a minimum wage fixed in the proportion to the cost of living. Recently, a new grievance has been reported, which is the imposition of a poll-tax on all males except Fijians. This poll-tax bears very heavily upon the numerous and economically hard-pressed Indian population. Both in Uganda and Tanganyika the position of Indians has been the cause of some anxiety. The Government of India has been compelled to enter strong protests against various projects for the treatment of Indians. In Uganda these protests have succeeded in deferring proposals for segregation. In Tanganika, where large numbers of Indians have purchased ex-enemy property, three ordinances were introduced in 1923 imposing certain fiscal and linguistic obligations which aroused resentment among the Indians resident in the territory. The Government of India took up the matter with the Colonial Office, and the question of introducing amendments calculated to safeguard Indian interests was considered.

But by far the most formidable problem arising out of the position of Indians in the Colonies is presented by the situation in Kenya. That Colony owes much to Indian labour, and Indian capital; Indian settlers have played a very large part in its development; and they largely out-number the European population. Nevertheless for some time they have been labouring under notable disabilities, some of which are resented from the slur which they cast upon India's self-respect, while others impose very practical and positive hindrances upon Indian prosperity. In the first category may be placed a prohibition against the transfer to Indians of agricultural lands in the highlands of the Colony. As these lands are at present entirely held by Europeans, the question of their ownership by Indians is of sentimental rather than of practical importance. On the other hand, the inadequate representation of the Indian population upon the Legislative Council; their political helplessness despite their large stake in the economic life of the Colony; and the difficulty which has been threatened in the way of free immigration, have long been matters of the very gravest concern. During the years 1921 and 1922, race feeling between the Indian and the European settlers rose to such a height that the relations between the two communities became extremely strained. The dominant position of the Europeans led the Indians to fear lest proposals for compulsory segregation, for the denial of the franchise,

Kenya.

The Indian Grievances.

and for the total prohibition of immigration from India, should be forced upon them. Indian sentiment, not merely in Kenya but in India itself, was deeply stirred by what was regarded as a deliberate attempt to stamp Indians with the seal of racial and social inferiority. It would be difficult to exaggerate the influence exerted of late by the Kenya situation upon Indian political sentiment. The Indian intelligenzia, without regard to political divisions or party aims, stood as one man to resent the slight cast upon their country, and to demand in the strongest terms the vindication of what they regarded as the elementary rights of their nationals in Kenya. Public meetings were held all over the country; the Indian press, both vernacular and English, expressed itself in the most vehement language; addresses were presented to the Viceroy by public bodies of all shades of opinion, as well as by the Indian Legislature. The Government of India from the first put themselves at the head of Indian sentiment, representing to the Colonial Office continually and in the most emphatic terms the seriousness, from the Indian point of view, of the Kenya situation. Early in 1923, the Colonial Office invited the Governor of Kenya, accompanied by delegations representing both the European and Indian communities, to proceed to London for the purpose of discussing the terms of a final settlement. The Chambers of the Indian Legislature sent their own deputation, consisting of two members of the Assembly, and one of the Council of State, to co-operate with the Kenya Indians, and to exercise all possible influence in their support. The Government of India meanwhile put up a strong fight, warning the Secretary of State that if the decision went against the Indians in Kenya, there would probably arise a strong agitation for the severance of India's connection with the British Commonwealth, and for the adoption of retaliatory measures against the Colonies.

Feeling in India.

While the case was still under consideration in London, rumours reached India that an adverse decision had been arrived at in the matter of the highlands and the franchise. On July 21st in consequence of the wide-spread anxiety which was aroused, a resolution was moved and carried in the Legislative Assembly recommending the Governor General in Council to move His Majesty's Government to concede the claim advanced by the Indian residents in Kenya. Almost simultaneously an influential deputation of the Council of State approached the Viceroy with expressions of alarm as to the consequences which might ensue if Indian claims were not admitted.

Anxiety in India.

Within the next week the decisions of His Majesty's Government (contained in Cmd. 1922) were announced by Reuter. The main decisions may be summarised as follows :—

Decision of His Majesty's Government.

It was laid down that the general policy to be observed in Kenya was the protection of the paramount interests of the African population. It was considered that the existing system of Government was best calculated to achieve this aim; and the immediate grant of responsible Government which had been urged by the White settlers, was considered to be out of the question. But contrary to the opinion expressed by Indian sentiment, a decision was arrived at in favour of communal representation. This system, under which the Indian community was to have five elected representatives in the Legislative Council was regarded as best in the circumstances, because it was compatible with African representation in due season, and with Arab representation immediately. It would further permit of a wide franchise for Indians. The policy of segregation as between Europeans and Asiatics in townships was, in deference to Indian opinion, to be abandoned. On the other hand, the reservation of the highlands for Europeans was to be maintained. On the vital question of immigration, it was laid down that legislation discriminating against Indian entry into Kenya could not be countenanced; but this statement of principle was qualified by the suggestion that some further control to protect the economic interests of the Africans was required.

Resentment at the Decision.

The strongest resentment was aroused in India by the announcement of these decisions. Adjournments both of the Council of State and of the Legislative Assembly were proposed to consider the situation. A Bill to regulate the entry into and residence in British India of persons domiciled in other British possessions, was introduced, considered and passed by the Legislative Assembly in one day as a protest against the recent decision. In proroguing the Assembly on the following day, Lord Reading defined the attitude of the Government of India in the clearest terms. He said "The news of the decision regarding Kenya came to me and to my Government no less than to you as a great and a severe disappointment; for India had made the cause of Indians in Kenya her own. As His Majesty's Government has stated, this decision conflicts on material points with the strongly expressed views of my Government as laid before the Cabinet by the Secretary of State for India. India's representations were fully placed before His Majesty's Government, and re-

ceived most patient and careful consideration; but we must record our deep regret that His Majesty's Government could not feel justified in giving greater effect to them. We are conscious that there were important aspects, perhaps not sufficiently understood by us, which His Majesty's Government were called upon to weigh and to determine, and we fully appreciate and acknowledge their hearty efforts to arrive at a fair and equitable conclusion. They have announced their decision, and the Government of India must consider it, and arrive at its conclusions; if submission must be made, then with all due respect to His Majesty's Government, it can only be under protest." In August 1923, the views of the Government of India were again set forth at length. While acknowledging the difficulty of the issues, and the care and attention that His Majesty's Government had devoted to India's claims, they did not conceal their feeling of disappointment at the result; and they reserved the right to make further representations with a view to reopening these decisions when a legitimate opportunity offered.

Lord Reading's Speech.

Most fortunately, this opportunity was not to be long delayed. While India was consumed with anxiety as to Kenya affairs, preparations were already being made for the meeting of the Imperial Conference of 1923. In the first revulsion of feeling against the Kenya decision, many influential sections of Indian opinion expressed the view that India's participation in the Imperial Conference was an insult to her self-respect.

Bitter feeling in India.

The deep emotion aroused by that decision, combined with the indignation caused by the treatment of Indians in South Africa, stimulated anti-British feeling to remarkable heights. To the determination never to acquiesce in a position which exposed India to such humiliation, there was added despair of getting justice from the British Commonwealth. And when in addition to all these considerations it was found that the draft agenda of the Imperial Conference contained no mention of the position of Indians overseas, except the comparatively insignificant phase represented by their position in the C. Mandated Territories, the demand that the Indian delegation should refuse to take part in the Conference became widespread.

The Imperial Conference of 1923.

It was extremely fortunate that Lord Peel, as head of the Indian delegation to the Conference, was able to associate with himself two such men as Sir Tej Bahadur Sapru and the Maharaja of Alwar.

Work of the Indian Delegation.

From the moment of his arrival in England, Sir Tej Bahadur Sapru laboured devotedly and successfully to arouse both His Majesty's Government, and the British people to a realization of India's indignation and despair. He encountered many difficulties, among which may be mentioned particularly the preoccupation of His Majesty's Government with affairs in Europe ; and the general indifference of the average Englishman towards India, which was a consequence of the lamentable boycott of the visit of His Royal Highness the Prince of Wales by the leaders of the Non-Cooperation movement. Nevertheless, with the support of the Secretary of State, Sir Tej Bahadur Sapru succeeded by degrees in arousing a sympathetic interest in the difficulty under which India is labouring. His Majesty's Government committed themselves to a recognition of India's right to be heard, by setting aside a whole day, in the already crowded programme of the Imperial Conference, for the discussion of the question of Indians overseas. On October 24th the matter was formally taken up ; and so important was the discussion judged to be, that it was resumed on Monday 29th, and was not finally concluded until Wednesday 31st. In consequence, not only did the Conference itself devote a larger proportion of its time to a discussion of Indian grievances than that which was allotted to any other subject on the agenda ; but in addition, the attention of the British press and of the British public was directed to these subjects for something like a full week. Quite apart from the positive gains which accrued to India as a result of the decision of the Conference, the advantage she derived from the new and comprehensive interest aroused in her situation among the public of Great Britain, must be counted among the most important results of the session.

Their Advocacy of India's Cause.

When the Conference came to consider the question of Indians overseas, Lord Peel, as leader of the Delegation, opened the case for India. He dwelt upon the unanimity of Indian opinion, and the justice of the Indian cause. He also cited India's great actual and potential importance to the Empire as an argument for the expediency of meeting her rightful demand. Lord Peel was followed by Sir Tej Bahadur Sapru, who recounted the depth to which Indian opinion had been stirred, and described the intolerable humiliation under which she laboured through the treatment meted out to her nationals in other parts of the Empire. He put forward an eloquent and reasoned appeal for the execution of the 1921 Resolution, adumbrating a machinery for consultation between the Government of India and the Dominion Governments on

the question as to how best and how soonest effect might be given to it. He vigorously controverted a memorandum circulated to the Conference by General Smuts, which had attempted to disprove the connection between Imperial citizenship and the exercise of civic rights. This memorandum, which had further proceeded to suggest that the Conference would be well advised to rescind the 1921 Resolution, did not survive Sir Tej Bahadur's spirited attack. Turning to the Kenya question, Sir Tej Bahadur amplified the observations already made by the Secretary of State for India, forcibly drawing the attention of His Majesty's Government to the sinister effects which this decision had already exercised upon the Indian political situation. After briefly referring to the grievances of Indians in other colonies and protectorates, he pleaded powerfully for an examination of the whole question, in consultation with the authorities concerned, by a committee to be appointed by the Government of India. In the case of the Union of South Africa, which was not a party to the 1921 Resolution, Sir Tej Bahadur Sapru expressed the hope that the Government of India might be allowed to maintain an agent who would serve as an intermediary between Indian nationals and the Union Government.

The Replies of the Dominions.

After the representations of Sir Tej Bahadur Sapru had been eloquently reinforced by the Maharaja of Alwar, the various Dominion delegations made their replies. The Prime Minister of Canada observed that in eight out of the nine Provinces of the Dominion, Indians did not suffer any legal or political disability. In the ninth Province, British Columbia, he stated that the present difficulties in conceding the franchise to Indians were due not to distinction of colour, but to complex economic and political considerations. The question whether natives of India resident in Canada should be granted Dominion parliamentary franchise on the same terms as native Canadians, was necessarily one for Parliament alone to determine. He promised that the matter would be submitted to that body for consideration when the Franchise Law came up for revision. He was somewhat doubtful whether the solution of the problem would be facilitated by the visit of a committee appointed by the Government of India ; but readily agreed to appoint a committee to confer with the committee from India, if such a step were desired.

Canada.

Australia.

The Prime Minister of Australia stated that representatives of every shade of political thought in his country had shown sympathy with the claim that lawfully

domiciled Indians should enjoy full citizen rights. He felt that in view of this position, there was no necessity for an Indian Committee to visit Australia, but he gave an assurance that on his return to Australia he would consul this colleagues as to the implementing of the 1921 Resolution. The Prime Minister of New Zealand welcomed the visit of a committee from India, stating that his country already practically gave resident natives of India the same privileges as those enjoyed by the Anglo-Saxon race. The Prime Minister of Newfoundland made plain that there was no distinction whatever between Indian British subjects and other citizens, either in the matter of emigration or in the matter of the franchise. Mr. Desmond Fitzgerald, the Minister of External Affairs in the Irish Free State, also expressed sympathy with the Indian claims. It was from South Africa that the only note of dissent emanated. General Smuts held out no hope of any further extension of the political rights of Indians in the Union, and expressed himself as unable to accept Sir Tej Bahadur Sapru's proposal. So far as the Colonies were concerned, the Secretary of State, on behalf of His Majesty's Government, cordially accepted the scheme of Sir Tej Bahadur Sapru that there should be full consultation and discussion between the Secretary of State for the Colonies, and the Committee appointed by the Government of India, upon all questions affecting British Indians domiciled in British Colonies, Protectorates and Mandated Territories. More important still, while reminding the Conference that the British Government had recently come to certain decisions as to Kenya, and stating that he saw no prospect of these decisions being modified, the Colonial Secretary promised to give careful attention to such representations as the Committee appointed by the Government of India might desire to make to him. Sir Tej Bahadur Sapru, however, again made it plain that the recent Kenya decision could not be accepted as final by the people of India.

New Zealand.

Newfoundland.

Irish Free State.

South Africa.

The Colonies.

The results of the Imperial Conference were from the point of view of India extremely important. The 1921 Resolution had not only been secured from the attack which the South African delegation levelled against it, but had been emphatically endorsed. All the Governments represented, with the exception of that of South Africa, were again united with the Indian representatives in support of the principle

Results of the Imperial Conference.

embodied in that resolution—a great moral success for India. Perhaps more immediately important was the fact that the Government of India were now given the opportunity they had been seeking of reopening the Kenya question. This last point is of considerable moment in the light of subsequent events.

The Position in Kenya.

Following upon the Kenya award, statutory action was shortly taken by the local administration on the franchise question. Adult suffrage on communal lines was conferred upon Indians. It will still be open, however, for the Government of India Committee to make representations for an increase in the number of seats allotted to Indians, and for the registration of all voters on a common electoral roll. Lord Reading has announced that the Government of India will continue to press their views through the constitutional channel open to them as a result of the Imperial Conference. Further, as regards immigration, the Government of India took the opportunity to urge the postponement of the bill giving effect to the decision of His Majesty's Government until such time as the Colonies Committee should have an opportunity of examining the question of the restrictions therein embodied. The introduction of the bill was postponed at the instance of the Colonial Office; and the Government of India received an assurance that ample opportunities would be afforded for the expression of their views; and that earnest attention would be given to any representation which the Colonies Committee desired to make.

The Colonies Committee.

Indeed, there can be no question that the whole position as regards Indians in the Colonies has materially changed, owing to the acceptance by His Majesty's Government of Sir Tej Bahadur Sapru's proposal for a consideration of the question by a committee appointed by the Government of India. Towards the close of the period covered by this report, the committee was constituted under the presidency of Mr. Hope Simpson, M.P., who is widely trusted in India both from his consistent friendliness to her national aspirations, and also from his stout championship of her cause at the time of the Kenya decision. Its other members were His Highness the Aga Khan, Sir B. Robertson, Diwan Bahadur T. Rangachariar, and Mr. K. C. Roy. This Committee has now completed its work in England. The Government of India anticipate nothing but good from the investigation of the problem of Indian nationals overseas by discussions between this Committee and the authorities concerned. And when further it is remembered that in the Imperial Conference, the Pre-

miers of no fewer than four Dominions exhibited the deepest sympathy with Indian feelings, and expressed their earnest desire to remove the disabilities of Indians resident within their borders, it is difficult to deny that the gains of India at the 1923 Conference were considerable. But it was hardly to be expected, in view of the mentality now characterising the Indian intelligenzia, that any considerable degree of satisfaction would be either experienced or expressed. Full allowance must of course be made for the fact that India was in the throes of an election; so that there was a natural tendency on the part of that important section of Indian opinion which did not agree with the political policy of the group of which Sir Tej Bahadur Sapru was the most prominent figure, to underestimate achievements which were largely in the nature of a personal triumph. But it must not be forgotten that India is now somewhat weary of conferences and committees, and in her present distrustful mood, she is inclined to look upon them merely as devices for postponing the consideration of awkward questions. It says a good deal for the general acumen of Indian politicians that no inconsiderable section of persons who did not agree with Sir Tej Bahadur Sapru's views on domestic politics, were found to maintain that a real advance of the most valuable character has been registered by the proceedings of the Imperial Conference.

India's Gains.

Among the many consequences of India's desire for Dominion status is an increased sensitiveness on the part of her intelligenzia regarding the emigration of labour, either skilled or unskilled; for it is now realized how severely the national dignity of India has suffered in the eyes of the rest of the world owing to the fact that the Indian labourer, or coolie as he is contemptuously designated, has been taken as representative of the entire population of the country. The spokesmen of educated India are now convinced that the whole question of emigration to other parts of the British Empire requires careful control. In deference to this feeling, the assisted emigration of unskilled workers from India has for some years been forbidden, except in the case of Ceylon, the Straits Settlements and the Federated Malay States. During 1922 the policy of the Government of India was embodied in a new Emigration Act, which provided that assisted emigration for the purpose of unskilled labour is unlawful except to such countries, and on such terms and conditions as the Governor General in Council may specify. The Act further provides that any notification made under it must be laid in draft before

Emigration Questions.

and approved by, both Chambers of the Legislature. In consequence, the organized emigration of unskilled labour can now be regulated and controlled by the popular representatives. A standing Emigration Committee composed of twelve members of the Indian Legislature, of whom four are members of the Council of State, and eight are members of the Legislative Assembly, was appointed to advise the Government of India on all major emigration questions. The first standing Emigration Committee defined the terms and conditions which were considered appropriate to Ceylon, the Straits Settlements, the Federated Malay States and Mauritius. It seems certain that the effect of associating Indian public opinion with the Government of India in exploring and redressing the grievances of Indian emigrants is destined to lead to a material improvement in the conditions under which unskilled Indian labourers work in other parts of the Empire. An example of this is to be found in the improvements which have taken place in the conditions of labour in Ceylon. At the same time, it is to be noticed that there was a tendency on the part of the first Legislative Assembly to pitch very high the terms upon which Indian labour might be admitted to certain colonies. The knowledge that the consent of an elective legislature is vital to the existence of Indian emigration, is bound to exercise a liberalising influence upon the labour regulations of those colonies which need settlers from India. It would be regrettable, however, if this tendency were carried to a point at which the interests of Indians already resident, who fear the competition of fresh arrivals, should operate to the damage of intending settlers. As a practical example of the interest taken by the Indian Government and Legislature in the fortunes of Indian settlers overseas, may be cited the fact that in 1922, two deputations left India for Fiji and British Guiana, for the purpose of ascertaining by local enquiry whether these colonies offered land suitable for Indian settlement. The report submitted by the Indian deputation to Fiji is still under consideration; but the reports of the British Guiana deputation have been published. In the latter case, the two Indian and the one European, members submitted recommendations which differ in one material point. The Indian members considered that no speedy resumption of emigration should be countenanced until the British Guiana Government had found a satisfactory solution for various points in which they considered the existing condition of Indians unsatisfactory. The European member considered that regulated emigration should be allowed in quantity fixed with reference to the demand for labour and the level

Legislative Control.

of wages. Since the publication of the Committee's report, a deputation from British Guiana has arrived in India to discuss with the authorities the conditions under which the resumption of emigration could be sanctioned.

Seriousness of Indian Sentiment.

It will be plain, from what has been said in the foregoing pages, that the whole question of the position of Indians overseas has now assumed an importance so vital in the public life of the country that the bitterness therefrom resulting threatens to poison the springs of goodwill between India and England. This question affects all classes; it unites all political parties. Enemies of the British connection point to it as a standing example of what they term "white arrogance" and racial intolerance. The disabilities to which Indian nationals abroad are subjected strike Indian opinion as an intolerable affront. The depth of this feeling can be gauged when it is realized that India depends upon the Imperial connection for certain vital elements, the importance of which can scarcely be overestimated, in her safety. She is unable at present, and can hardly hope in the immediate future, to defend herself either by land or by sea, against an aggressor. A consideration of the problem of India's defence will serve to reveal by implication the strength of a sentiment which would sacrifice even national security itself, if the price to be paid for security is humiliation.

India's Past Sufferings.

The history of India contains ample proof that the defence of the country has been fraught both with difficulty and with danger in times past. Some authorities have gone so far as to say that India's national story is one long record of invasions. This statement is somewhat exaggerated but contains an element of truth. There can be no question but that India has suffered immense damage, both moral and material, in past times, from invasion of her land frontiers. Not once, but on many occasions have masterful peoples, of civilization less advanced than her own, poured through her northern passes, overthrown her indigenous dynasties and postponed for centuries her efforts at self-unification. Since India has become a member of the British Commonwealth, she has known security from invasion. But it is important to remember that geographical facts are well-nigh unalterable; and that those natural entries which in times past have facilitated the advance of invading armies into the heart of the country, still remain unchanged.

For a country which possesses a land frontier over six thousand miles in length, India is comparatively well sheltered, but there are joints

in her armour. On the North the barrier of the Himalayas protects her from invasion; and only by the Chumbi Valley Pass is there any access between India and her neighbour Tibet. The general condition of this country is still rather mediæval than modern. There have of late been certain movements on the part of a progressive party under the leadership of the Dalai Lama. Attempts have been made to modernise the equipment, and increase the strength of the army, but social and economic conditions remain feudal in type, and the forces of conservatism are very strong. In this connection it is interesting to know that towards the end of the period under review, the Tashi Lama, who appears to have opposed certain of the schemes of the reforming party, fled from his province and crossed the frontier in disguise.

The Northern Frontier.

Tibet.

As is well-known, the relations between India and the neighbouring State of Nepal have been for more than a century of the friendliest character. In December 1923, a new treaty was signed between the two countries, whereby each agrees to inform the other of any friction or misunderstanding with the States in territories adjoining their common frontiers. The British Government agrees that Nepal should be free to import through British India arms, ammunition and warlike material, so long as the British Government is satisfied that the intentions of the Nepal Government are friendly. The Nepal Government in its turn agrees that the export of arms and ammunition across its frontiers shall be prohibited. Other articles of the Treaty provide for the free passage through the Indian Customs of goods imported under the mark of the Nepal Government. The new Treaty is an interesting illustration of the cordial relations which exist between the two parties; and India may congratulate herself upon the proximity of an ally, at once so friendly and so helpful, as Nepal.

Nepal.

To the North-East, while there are some practicable passes upon the frontier of Assam, the difficulty of the country militates against the possibility of serious invasion. The frontier of Burma, however, marches some thousand miles with that of China, and is not entirely deficient in communications fit for bodies of civilized troops. During the course of the year under review, the peace of this section of frontier was threatened by nothing worse than occasional rumours of impending incursions from the borders of Mongmao and Chefang. A Burma Frontier Service has

The North East Frontier.

been created for the protection and civilization of the tracts which adjoin China. The state of lawlessness in Yunnan has increased through the present unsettled condition of the Chinese Empire; and brigand bands are numerous. Until such time as the Central Government of China is strong enough to reassert its authority over the outlying provinces, minor incursions into Burmese territory are always possible. But the official relations between British and Chinese administrators remain cordial; annual meetings are held on the frontier for the adjustment of claims made by the subjects of each country.

The North West Frontier.

While it would be a mistake to ignore the military problems of the North and North-East Frontiers, it is to the North-West that the eyes of India are as in times past principally turned. Here lie those Passes through which the tide of invasion has periodically flowed with disastrous effects. Time after time these incursions have shattered into fragments the attempts of successive empires to create a national unity in India. At the present moment, when new ideals of nationhood are inspiring the educated classes in all parts of India, the necessity of peaceful development, undisturbed by invasion from the North-West, is generally realized. For Central Asia is a great home of predatory peoples, warlike and formidable, who would ask nothing better than the opportunity of enriching themselves at the cost of the laborious and peaceful population of Hindustan.

Central Asia and the Soviet Government.

The delay in the settlement of the peace terms between Turkey and the Allies served to increase in this region the prevailing restlessness, which was largely exploited by the Government of Soviet Russia for its own ends. After the revolution of 1917, many portions of the old Tzarist Empire took advantage of the administrative breakdown to constitute themselves into separate states, but in the course of the succeeding four years the Soviet Government proceeded to overthrow the new political units of Dagestan, Azerbaijan, Armenia and Georgia, and to regain control of Russian Turkestan by crushing the Khan of Khiva and the Amir of Bokhara. These states were granted nominal autonomy as Soviet Republics within the Russian Federation, but in actual practice were ruled so harshly that a succession of insurrectionary movements broke out. The Mussalman peoples of Central Asia soon realized, despite the efforts of the propagandists, the essential incompatibility between the tenets of Islam and those of Bolshevism. Hence, while Soviet rule is now, broadly speaking, accepted over the old Russian

provinces in Central Asia, the Bolsheviks have failed to enlist the enthusiasm of their Mussalman subjects in the spread of Communist doctrines. During 1922, there was formidable rebellion in Ferghana and Eastern Bokhara, headed by Enver Pasha, late Minister of War in Turkey. After a good deal of hard fighting, the Soviet authorities succeeded in crushing the movement and in killing its leader. Russian domination over Bokhara is now once more firmly established, though considerable unrest still prevails, and the country is in a disturbed condition. But in Khiva a fresh insurrection has broken out, and early in 1924 there were reports of heavy fighting between Bolshevik troops and organized rebel bands. It is of course to be anticipated that the Soviet Government will eventually reassert its authority, as indeed it is determined to do.

Russian Designs and Difficulties.

The flood of anti-British propaganda directed against impressionable points on the perimeter of the British zone, in connection with which His Majesty's Government protested so vigorously early in 1923, seems to be inspired quite as much by the desire of maintaining and extending Russian influence as by an determination to foster the spread of communism. During 1923 it was remarked in well-informed quarters that there was quite as much fanaticism in Moscow on the subject of alleged British machinations in Persia and Afghanistan, as there was in London on the question of Russian propaganda in Asia. The traditional ambitions of Russia in that quarter find now as in times past their principal obstacle in the British Commonwealth. And since the existence of this alliance of nations constitutes the greatest enemy to the spread of the doctrines of the Red International, it is easy to understand the hostility which has of recent years inspired Soviet statesmen in their fiery denunciations of Great Britain. At the time of writing, Russia has but partly made good the chaos into which her Asiatic possessions fell as a result of the administrative breakdown consequent upon the revolution. She has, however, succeeded in extending her influence into Chinese Turkestan, with which province she hopes to conclude a trade agreement; and she has also added Outer Mongolia, over which Chinese hold has relaxed, to the list of the Soviet Republics under her domination. So long as the relations between Russia and Great Britain were confined to the Trade Agreement, it was impossible to undertake that frank and free discussion of conflicting interests which may normally be expected to characterise the diplomatic relationship of friendly states.

But now that the Soviet Government has been formally recognised by His Majesty's ministry, and arrangements have been initiated for the settlement of questions outstanding between the two countries, it is sincerely to be hoped that the dangerous mutual suspicions characteristic of the last six years, will once more give place to a satisfactory understanding.

This unfriendly feeling has lately exercised an unfortunate influence in two distinct spheres, namely, Turkey and Afghanistan. As a result of the Greek invasion of 1920, the Nationalist Turks under the leadership of Mustapha Kemal Pasha turned for assistance to Russia. They received assistance in the form of supplies and munitions, which enabled them to evade the danger of a crushing defeat at the hands of the Greeks, and was thus partly responsible for their triumph in the following year. The old friendliness between Turkey and Great Britain had naturally received a severe blow from the suspicion that His Majesty's Government were encouraging the Greeks in their enterprise; and the advantageous position in which Russia now found herself was employed further to widen the breach. This of course reacted unfavourably upon the relations of His Majesty's Government with the Mussalman population of India, who were heart and soul with the Turks in the prosecution of their war of independence. Fortunately, after the debacle of the Greek Army in the autumn of 1922, the machinations of those who desired to involve Great Britain and Turkey in hostilities were frustrated by the tact of the local Commanders. The way was now opened for peace; and a conference of the Powers met at Lausanne on the 20th November 1922. The Allies, who throughout acted in close concert, showed their willingness to grant to Turkey very substantial concessions; but the draft peace terms presented at the end of January were not in all respects satisfactory to the Angora Government. The actual rock on which the split took place was the question of economic concessions, in which France and Italy were interested rather than Great Britain. So far as Great Britain herself was concerned, the only outstanding question, that of Mosul, was being reserved for separate discussion. But the chief British representative at the Conference found himself unable to accept a suggestion which would be deterimental to the unity of the Allies. The Conference at Lausanne accordingly broke up and the Turkish delegates took back to Angora the draft peace terms. A series of counter proposals were presented to the Allies early in April and on the 23rd of that month negotiations were renewed at Lausanne

Soviet influence in Turkey.

Peace Negotiations.

The actions of some hotheads in Turkey and Greece brought about periodic crises; but these events failed to interrupt the smooth and friendly progress of the Conference. The question of the Ottoman Debt, which was of interest to France rather than to Great Britain, came at one time near to causing a deadlock, but all parties were actuated by a desire for peace; and the Allied willingness to compromise enabled all difficulties to be surmounted. On July 24th 1923, peace was finally signed; and the Angora Government having ratified the Treaty on August 23rd, all Allied troops left Turkey within the next six weeks.

From the purely Indian standpoint the adjustment of relations between Turkey and England is a cause of much satisfaction. Indian Mussalmans have for some time regarded the Turks as the leading Islamic Power; and religious sentiment was greatly excited by the prospect of the extinction of Mustapha Kemal Pasha's nationalist movement. Of late however, it has begun to dawn upon Indian Mussalmans that the aims dominating the new Turkish Government are more national than religious in inspiration. The deposition of the Sultan in 1922 and the election of his nephew Abdul Majid Effendi as Khalifa, but not as Sultan, came somewhat of a surprise to the Indian Mussalmans, for it implied that vaticanization of the Khilafat which Indian theologians had stoutly maintained to be foreign to the doctrines of Islam. Towards the end of 1923, the Angora Assembly definitely decided to constitute itself into a Republic, with the result that the Khalifa found his power and prestige considerably restricted. Early in 1924 this step was followed by one which came as a most severe shock to Muslim opinion outside Turkey, and more particularly in India. The office of Khalifa was abolished by decree of the Angora Assembly, and the existing incumbent, with all his dependents, was expelled from Turkish territory under circumstances of considerable harshness. From these events it is perfectly plain that the newly constituted national Government of Turkey is determined to follow its own line, regardless of outside influences which may be brought to bear upon it.

Their Success.

The New Turkey.

The second region in which Russian influence has operated in a fashion hostile to British interests is that of Afghanistan. The hostilities with India into which the present Amir plunged shortly after his accession to the Throne, provided the Soviet Government with an opportunity of which they did not fail to take advantage; and in the summer of 1921 a Russo-Afghan Treaty was ratified. Perhaps the most signi-

Soviet influence in Afghanistan.

ficant portion of this Treaty, from the Indian standpoint, was the permission to establish Russian consulates at Kandahar and Ghazni. From these points of vantage it might well have been possible to prevent the transformation of the hostile spirit then existing between Afghanistan and India into the amity and friendliness which was to the advantage of both parties. But the Amir of Afghanistan had no mind to function as a pawn in the hands of Russia. He refused to give free transit through his country to Bolshevik agents; and he shortly concluded a treaty of neighbourly relations with Great Britain. Moreover, he gave an assurance that Russian consulates were to be excluded from the neighbourhood of the Indo-Afghan frontier.

The Amir's Attitude.

Under the leadership of His Majesty the Amir Amanulla, the principle preoccupation of his country is to strengthen her own resources. For five years the present Amir has been engaged in a far-reaching programme of reform and progress. Steps have been taken to control and limit the arbitrary authority of local officials. The army is being largely reduced; and the money once spent upon it is being diverted to other channels. Experiments are being made in Customs and Revenue regulations to explore more efficient methods of taxation. Attempts are also being made under Government subsidy to find fresh markets for Afghan produce; and advantage is being taken of the establishment of missions or legations at Teheran, Angora, Moscow, Berlin, Rome, Paris, New York and London, to despatch trade agents whose business it is to explore the possibilities of developing the commerce of the country. Moreover, Afghan students are being sent to France and Germany for study; while French professors, German engineers, and Italian doctors, and other experts have been invited by the Amir to assist in the work of progress.

The New Afghanistan.

The new era in British relations with Afghanistan was initiated early in 1922 by the appointment of an Afghan minister at the Court of St. James and a British minister at the Court of Kabul. The Amir has displayed a disposition towards strengthening the bonds of friendship between himself and Great Britain; but his difficulties are great. It is impossible to introduce far-reaching reforms into a polity organized on traditional lines without a certain disorganization of which lawless elements do not fail to take advantage. In the middle of 1923, reports were current of a somewhat widespread outbreak of general unrest in many areas; and it is plain that the Kabul Government has been exposed to many

Anglo-Afghan Relations.

domestic tribulations. Unfortunately, the period under review, has not been free from troublesome incidents between Afghanistan and India. In June 1923 an Anglo-Afghan Trade Convention was, it is true, successfully concluded. This put into formal shape the obligations accepted by the British Government under the Treaty of 1921 in respect of goods in transit through India to Afghanistan. But two months previously, aerial operations directed by British forces against the Tazi Khel in the hills north of Dardoni, at a point where the Afghan boundary is not sharply defined, had resulted in an accidental violation of the frontier and in the infliction of casualties upon Afghan subjects. As a result of the elucidation of the facts through a joint enquiry held by officials of the Afghan and British Government, His Majesty's Government expressed in June through the British Minister at Kabul their unqualified regret at the incident. Full compensation was paid for the loss of life and damage to property. But in other incidents in dispute during the period under review, it was the British Government who were the aggrieved parties. Two events which had taken place towards the end of 1921, known as the Barshore and Spinchilla incidents, remained outstanding against Afghanistan. In the former, the culprits were Shahjui Wazirs, all armed outlaws from Waziristan, who had settled down in Afghan territory. In November 1921 they raided into Baluchistan and overwhelmed by superior numbers a detachment of Indian troops under two British officers. In the Spinchilla incident, which took place in the succeeding month, a convoy was attacked, and in the fight both British troops and outlaws sustained heavy casualties. Towards the end of 1923 the Afghan Government settled the demands put forward by Great Britain in regard to both these incidents. The rifles and machine gun captured by the raiders were replaced; and since compensation for private losses caused by the operations of the gangs had already been given, the international incident successfully terminated. But further difficulties arose in the course of 1923 on account of the attempts of various ruffians, who had committed brutal crimes in India, to find a safe harbourage in Afghan territory. On April 8th 1923 Majors Orr and Anderson of the Seaforth Highlanders were shot dead, some three miles from Landi Kotal, in the Khyber Agency, by two relatives of the notorious Shinwari raider Multan, who had been killed in the Peshawar district as long ago as

The Trade Convention.

Violation of the Frontier from the air.

Barshore and Spinchilla Incidents.

The Landi Kotal Murders.

1908. The murderers, who were Afghan subjects, were arrested by the Afghan Government in consequence of British representations. Unfortunately, while awaiting trial at Kabul, they escaped from jail. This created a most unfavourable impression; and the British Minister at Kabul lodged with the Afghan Government a most energetic protest. The circumstances were complicated by the fact that on the night of April 13th one Ajab, a Bosti Khel Afridi, who was "wanted" for stealing arms and for other misdemeanours, entered the Kohat cantonment, and after callously murdering the wife of an English staff officer, abducted his daughter as a hostage with which to bargain for his own safety, and conveyed her to the Orakzai Tirah. The kidnapped girl was recovered uninjured; but Ajab with three companions fled to Mandatai in the Afghan province of Ningrahar. Here they were joined by Daudshah and Ardali, the murderers of Majors Orr and Anderson. In reply to the representations of the British Government, the Afghan Government admitted its obligations to take such overt action as would convince His Majesty's Government of their determination to prevent the Kohat gang from endangering the peace of the Indian border from any refuge in Afghanistan. But unfortunately its action proved at first abortive, and meanwhile further outrages were committed. In the early hours of November 8th the desperados made their way into the house of Captain Watts, of the Kurram Militia at Parachinar, and endeavoured to abduct Mrs. Watts as a hostage for their own redemption. Being frustrated by the gallantry of Captain Watts, they killed both husband and wife, and returned to their base at Mandatai. As may well be imagined, the perpetration of this terrible crime aroused the utmost excitement and indignation. There was a general failure to estimate at their true value the difficulties to which the Afghan Government is exposed in taking effective measures against refugees in the inaccessible mountains just across the Afghan border. The newspaper press both in India and in Engand somewhat increased, by the tone of its comments, the intricacies of a delicate situation. On the one side, the firm representations of the British Government as to the responsibility of Afghanistan for putting an end to this reign of terror were distorted into a provocative "ultimatum" wantonly delivered to a Government which was labouring, in the fact of many obstacles, to carry out its international obligations; and on the other hand, charges were levelled against the Afghan administration for its alleged incitement of the desperados in their career of crime. Fortunately, the

The Kohat Outrage.

The Crime at Parachinar.

extremists on either side were equally wide of the mark. His Majesty's Government combined with vigorous representations the exercise of patience and forbearance. The Afghan Government successfully overcame the difficulties with which it was faced through the lawless conditions and general fanaticism prevalent among the tribes in the region where the murderers had taken refuge. In January 1924 the Afghan troops despatched against Ajab and his fellow criminals, aided by the mobilisation of an Afridi lashkar on the British side of the line, were successful in persuading certain of the desperados to surrender. Almost at the same time Ardali, one of the two murderers of Majors Orr and Anderson, was shot dead by an Afghan soldier in attempting to escape. Ajab the Kohat murderer has been deported to Turkestan with two of his companions by the Afghan Government under the guarantee that he will be kept in strict surveillance within a circumscribed area.

British Representations and Afghan Action.

The action taken by the Afghan Government was received with great relief throughout India. For there is little doubt that the respite, however unavoidable from the Afghan point of view, which the Kohat murderers had enjoyed, was very damaging to good relations between Britain and Afghanistan. For while British public opinion was indignant at the delay which enabled the murderers to commit fresh outrages, the Afghan Government felt itself affronted by the fact that a consignment of arms intended for Afghanistan had been held up in Bombay, under the provisions of the Anglo-Afghan Treaty, till such time as His Majesty's Government was assured that the Afghan Government was not pursuing an unfriendly and provocative policy towards Great Britain. It is hardly necessary to add that the mere possibility of a rupture between Great Britain and Afghanistan excited the strongest feelings in Russia; indeed, while the negotiations with the Afghan Government were still in a somewhat critical stage, the news was published in Moscow that a British ultimatum had actually been delivered. It is greatly to be hoped that with the resumption of customary diplomatic relations between Russia and Great Britain, public opinion in either country will be less susceptible to the influence of inflammatory rumours.

General Relief.

The difficulties of India from the North West frontier are not confined to her international relations. Between the Durand line which marks the Afghan frontier, and the provinces of British India, there lies a tract of territory which, though part of the Indian Empire, is not directly administered by the Government. Here dwell in rocky and desolate

fastnesses a number of warlike tribes who eke out the meagre subsistence their lands afford by raiding their more prosperous and peaceful neighbours. Their martial spirit, and their fierce devotion to what they understand of the Muslim faith, make them formidable antagonists, while their barbarity and savage independence constitute a standing menace to the security of India. It is the presence of these potential enemies within her borders, a permanent advance guard, as it were, of invasion, which rivets the eyes of India upon her north-western frontier.

General situation on the Borderland.

The general disquiet of the Islamic world in the Middle-East has naturally exercised a disconcerting influence upon the Indian borderland; but with the gradual adjustment of friendly relations between Great Britain and Afghanistan on the one hand and Great Britain and Turkey on the other, there have been gratifying symptoms of greater tranquility. Another external irritant, which is communist propaganda, is still active at the moment of writing. Its principal distributing centre is the colony of Hindustani fanatics at Chamarkand, who have established a connection with the tribes of the Dir and Hazara border, and endeavour to spread among them Bolshevik doctrines under a pan-Islamic cloak. In so far as the efforts of the Colony are stimulated financially and otherwise, by Russian diplomacy, it is to be hoped that this source of their encouragement will dry up as soon as relations between Great Britain and the Soviet Government assume a more normal character. It is indeed very important from the Indian standpoint that the tribes of the North West Frontier should be free from the operation of external intrigue. Economic pressure of itself makes them restless enough, and the only hope of relieving it lies in the preservation of a peaceful atmosphere. At the time of writing, the general situation throughout that restless portion of India which divides the territory under direct British administration from the Afghan frontier, is more satisfactory than at any time during the previous four years. Only now, indeed, are the tribes really settling down to their normal life, after the constant state of unrest which has prevailed along the length of the border since the outbreak of the Great War.

Different Regions present different problems.

Broadly speaking, the North-West Frontier of India may be divided into three principal sections. The first extends from the territory North of the Kabul river to the borders of Waziristan; the second includes Waziristan itself, the third comprises Baluchistan. Each

of these three sections presents an entirely different problem to the officers of the Political Department, whose duty it is to influence the inhabitants in the direction of peace and order. To the South of Waziristan, in Baluchistan, there is no tribal territory between British India and Afghanistan. The British authorities administer right up to the Afghan frontier. The tactful control of the tribes presents few difficulties; and the country is steadily advancing towards prosperous order. In the section of the border North of Waziristan, the relations between the local inhabitants and the British Government are also on the whole satisfactory. North of the Kabul River, a great part of the territory is governed by important chieftains, such as the Mehtar of Chitral, the Nawab of Dir, and the Mian Gul of Swat. However much these rulers may fight among themselves, their interests are all on the side of peaceful and friendly relations with the British Government. Trade with India is active; and the Swat River Canal provides a competence for many sturdy persons who might otherwise eke out their subsistence by raiding. Further South, in Tirah, the Afridis and the Orakzais have far too intimate connections with the territory directly under British adminstration to risk hostile action against India on any but the most serious grounds. But in between the northerly and the southerly sections of the frontier lies the central, namely Waziristan. Here conditions are quite different. The country is inaccessible to a remarkable degree; the inhabitants are virile, but bloodthirsty savages who from time immemorial have supplemented the wholly inadequate resources of their sterile country by raiding, robbing and murdering. Ever since the British Government inherited from the Sikhs the task of controlling Waziristan, this area has presented the most formidable problem of the whole frontier. For many years attempts were made to follow the policy of non-interference. With the exception of granting subsidies to enable the chieftains to keep their younger warriors from raiding, and of maintaining posts garrisoned by locally recruited militia, the British adminstration has had as little as possible to do either with the country or with its inhabitants. But the hope that if they were left alone, they would leave British India alone, proved fallacious. On an average, their repeated misdeeds necessitated active operations of major or minor importance every four years. Since 1852 there have been 17 of these operations, and since 1911, four. All were occasioned by deliberate provocation on the part of the tribesmen, who have ravaged the plains whenever they saw the opportunity. Alike during the Great War, and during the Afghan hostilities of 1919, their depredations grew

bolder than ever; and after the signature of the peace treaty with Afghanistan, they refused the lenient terms offered them by the British Government. Part of the difficulty in dealing with the inhabitants of Waziristan lies in the fact that the tribesmen themselves acknowledge practically no authority. It is therefore extremely hard to build up law and order, as has been done elsewhere, on the prestige of local chieftains. The tribesmen have nothing to lose, and everything to gain by disorder; and unless effective pressure can be brought to bear upon them, it seems difficult to imagine that they will ever abstain from raiding.

The Problem of Waziristan.

Since the last Afghan War, the problem of Waziristan has forced itself upon the attention of the British authorties. As a result of punitive operations undertaken during the year 1920, British troops were firmly established at Ladha in the heart of the Mahsud country. But the question remained as to how Waziristan was to be settled. It may be mentioned that there are two main schools of opinion in connection with frontier policy. One of these, which is generally known as the forward school, would advocate the gradual advance of the area administered by Britain until the frontier of Afghanistan is reached. Only by so doing, say the advocates of this policy, will it be possible so to develop the sterile country in which the tribesmen dwell, that they may attain the wherewithal to live without raiding, and thus become possessed of a real stake in the maintenance of orderly and peaceful conditions. The second school of opinion is that known as the "close border." It advocates the retirement of our forces to positions within the directly administered districts of British India; and the erection of some modern equivalent to the Great Wall of China, for the confinement of the tribesmen inhabiting the territory between these administered districts and the frontier of Afghanistan. Lines of barbed wire linking up posts strongly held; mechanical transport roads running right along the border; constant patrols; and wireless communications, they urge, represent the only practicable means of preventing destructive raids into the settled districts of British India. It is impossible to enter fully into the arguments which are cited by the advocates of either school. Both can claim some very strong points; both seem open to serious objection. For while on the one hand the cost of such an advance as the forward school advocate would be entirely prohibitive, it seems doubtful on the other hand whether the erection of a barrier between British India and tribal territory would not result, even

Two Schools of thought.

if it afforded a respite from tribal raids, in a legacy of infinitely worse trouble in the future. Such a policy of negation might in reality leave the tribesmen free to brew incalculable mischief, while affording an open invitation to continual intrigue on the part of influences, whether foreign or domestic, hostile to the peace of India. It is interesting to find that the Government of India, after mature consideration, have adopted a policy situated between the two extremes. While on the one hand they are determined to bring the Mahsud country, the strategic heart of Waziristan, under control, they have decided that the military occupation should cease. It is replaced by a system of internal control, based partly on scouts with British officers, and partly on Khassadars, locally recruited levies who find their own arms and equipment in return for a monthly wage. This system is reinforced by external supervision from the two posts of Manzai and Razmak, which, though outside Mahsud territory, effectively control it. Razmak, which we occupy at the request of Utmanzai Wazirs themselves, in addition to constituting a dominant strategic position, is an almost ideal location for regular troops, being healthily situated 7,000 feet above sea level. But an integral part of the present policy is the construction of roads through regions hitherto almost impenetrable. A mechanical transport road links up Razmak to the Tochi on one side, and to Jandola on the other. Another road is under construction from Jandola to Sarwekai. Regular troops have now evacuated the Mahsud country. It is hoped, while freeing the Mahsuds from the irritant provided by the presence of troops within their border, to rob them of the inaccessibility which has caused their persistence in barbarism. The construction of some one hundred and forty miles of road in Waziristan will provide the channels through which civilization may gradually penetrate. Although protected throughout the greater part of their length only by scouts and Khassadars, it is reported that the roads already constructed are beginning to carry the trade of the country, and to exercise a pacific influence. The Government of India believe that in thus opening up Waziristan, and enabling a greater degree of civilization to find its way to these inaccessible tracts, they have discovered the best solution of the Waziristan problem.

The Compromise.

A brief survey of the border from North to South will give the reader some idea of the actual situation which obtained during the period covered by this report. Taking first the country North of the Khyber, it may be noticed that the personal ambitions of the chiefs of the Yusufzai tribes, living in the

Conditions during 1923.

basins of the Swat and Panjkora Rivers, have resulted in a continual state of war. The two leading rulers, the Nawab of Dir and the Mian Gul of Swat, have now concluded their war of 1922 for the possession of Adinzai, a province on the left bank of the Swat River, close to the British bridgehead of Chakdarra. The result of the contest was the victory of Dir. No sooner was the war concluded, than the Mian Gul looked elsewhere in order to increase his sphere of influence. Buner, to the East of Swat, met with his approval and he proceeded to invade the country. He now rules virtually the whole of Buner, North of Kabulgram on the Indus River.

North of Khyber.

In their relations with the British Government, the behaviour of the tribes was good; and the Nawab of Dir undertook at our instance to refrain from aggression against the new sphere of influence of the Mian Gul, as a price of his own recognition as master of the Adinzai tract. The British Political Agent was moreover successful in enforcing the exclusion from Sam Ranizai of outlaws who had been accustomed to harbour there, and harry certain villages of the Peshawar district. The Utman Khel, and the Mohmands, also committed no serious offences, despite the sinister influence of the hostile Hajji of Turangzai, whose presence constitutes a perpetual threat to the tranquility of this portion of the border; while in Bajaur the death of the Babra Mullah rid the frontier of a dangerious disturber of the peace. We have already noticed the activities of the Hindustani fanatic colony, which fortunately failed to exert any substantial measure of influence over the local tribesmen.

In the Khyber region the behaviour of all the Afridi clans was good, and there were no tribal raids. Progress on the Khyber Railway, which will ultimately connect Peshawar with Landi Khana, continues to be steady, and the project should be completed during 1925. It is hoped that this line will do much to open up and civilize the tribal country through which it passes, besides facilitating in a marked degree the overland trade between India and Afghanistan. There has been no trouble with the tribesmen through whose limits the railway is being carried and construction proceeded well in co-operation with Afridi Khassadars.

The Khyber.

The history of the Afridis of the Kohat Pass included, during the period now under review, an incident which caused a sensation throughout the civilized world. The road through the pass remained opened to public traffic, and little serious crime was committed by the tribes until February 1922

Kohat.

when the bell-of-arms in the police lines at Kohat was broken open under cover of a stormy night, and forty-six ·303 rifles carried off. The offence was eventually traced to Ajab, the criminal whose depredations have been recounted upon an earlier page.

Operation against Ajab.

On receipt of definite information that the rifles were still in Ajab's village, the locality was surrounded and searched by the Frontier Constabulary. The operation resulted in the recovery of thirty-three of the missing rifles, together with a large quantity of other property, among which were certain articles of uniform establishing in the clearest manner the complicity of Ajab in the brutal murder of Colonel and Mrs. Foulkes which had taken place at Kohat in 1920. Unfortunately, Ajab and his immediate companions were away hunting and thus escaped capture. Being reduced to desperate straits, ruined, outlawed, and mocked by their fellow tribesmen, they sought sanctuary in the Tirah, and resolved to kidnap a European and to hold their captive as security for full pardon for their many offences. Hence the murder of Mrs. Ellis, and the kidnapping of Miss Ellis, which have already been briefly mentioned in another place. Newspaper readers all over the world are familiar with the dramatic events which followed. The rescue of Miss Ellis by Mrs. Starr, Khan Bahadur Kuli Khan, and Rissaldar Moghul Baz Khan was among the journalistic sensations of the year 1923. It is not, however, so well known that the outrage caused great indignation among the tribesmen of the locality, who readily co-operated in the search for Miss Ellis. After her recovery, it remained for the North West Frontier Province authorities to call to account both the Kohat Pass Afridis, and the Orakzais, among whom Ajab and his gang had first brought their captive. As a result of the pressure brought to bear by Government, an important tribal assembly was held at Shinawari on May 12th. Sir John Maffey, the Chief Commissioner of the North West Frontier Province, accompanied by the Deputy Commissioner of Kohat, and the Political Agents of the Kurram and the Khyber, met the jirga and spoke to the members with the utmost frankness. A formal declaration was drawn up in consequence, by the chief elders and representatives of the Afridi and Orakzai clans, stating that Ajab Khan and his followers were their enemies, as well as the enemies of the British Government. Ajab Khan and his four followers were never from henceforward to enter the country of the Afridis and the Orakzais. If they did so, they would be captured and handed over to Government. If

The Ellis Tragedy

The Afridi-Orakzai jirga.

they were afforded shelter or passage by any section or individual, Government was to be free to take such action as it might deem suitable, whether by aeroplanes or otherwise. The jirga further agreed to abide by any fines or penalties imposed upon the tribes for the offence of giving the murder-gang passage. On dismissal, the members of the jirga set off in a body to destroy the settlement which had last given shelter to Ajab and his followers. Nor did the measures taken by Government to enforce tribal responsibility for the Kohat outrage end here. The general impression that the uncontrolled acts of a gang of desperados had brought both the Afridis and the Orakzais into dishonour and humiliation, enabled Government to enforce upon the Afridis of the Kohat Pass terms of considerable severity. They agreed to pay a fine of half a lakh of rupees; to destroy the fortified village of Ajab Khan and his relatives, to expel all outlaws except those for whom the tribal maliks could give security, and to harbour no outlaws in future; to admit the right of Government to widen the road through the pass, to erect a telephone and telegraph line through it, and to locate a force of Khassadars therein. The significance of these provisions will be realized when it is pointed out that four years ago, when Government desired to erect a telegraph line through the Pass, these same Afridis refused an offer of Rs. 50,000 as compensation for the infringement of their independence which they considered the erection of the line to entail. It is difficult to avoid the conclusion that as a result of the measures taken in connection with the Kohat tragedy, the relations between Government and the Afridi and Orakzai tribes have been placed upon a footing more favourable to the maintenance of order, than has been possible at any previous time.

Settlement by the Pass Afridis.

Further South, in the Kurram Valley, the inhabitants enjoyed during the year exceptional peace and prosperity. Various tribal sections who had been under blockade, or who had fines outstanding against them in respect of crimes committed within their territory, settled their obligations in full. Unfortunately, this area was the scene, in November, of the brutal murder of Captain and Mrs. Watts by members of Ajab's gang. Despite the efforts made to intercept the desperadoes, they succeeded in making good their retreat to Afghan territory. Their subsequent fate has already been recounted. With the idea of adjusting mutual claims on the part of British subjects in the Kurram Agency and Afghans on the

The Kurram.

other side of the border, proposals were made for joint consultation. Preparations were in train for a Commission to meet in November 1923 ; but were suspended for the time on account of the situation arising out of the Parachinar murder. Meanwhile, during October 1923 a conference was held on the Frontier between the Political Agent, Kurram, and the Governor of the Southern Province of Afghanistan, to discuss the responsibility for an offence committed against the Kurram militia in October 1922. A joint report was signed to the effect that the guilty persons were Madda Khel Wazirs ; and that the gang included also Wazirs serving in the Khost militia, in Afghan pay.

Waziristan.

In Waziristan the year has been notable for the progress made in steadily pursuing the policy already described. Early in 1923 operations were carried out against Makin, which is the home of Musa Khan, the leader of the hostile party. The road from Tochi to Jandola *via* Razmak has been completed ; and work has also been started on the road from Jandola to Sarwekai. The raising of scouts and Khassadars has progressed ; and these forces now occupy posts on the new road as well as the important positions of Wana and Sarwekai. With the exception of the garrison at Razmak, regular troops from South Waziristan have now been withdrawn to Jandola. Further, military expenditure has been steadily reduced, as more settled conditions offer good prospects for the success of the new policy. The Mahsuds themselves have recognised Government's right to build roads in Waziristan, and have undertaken to provide Khassadars for the maintenance of order. The actual construction of the road has been carried on largely under tribal contractors ; and it is interesting to note that some of those sections of the Mahsuds, who were recently most hostile, have now supplied labourers in considerable numbers for work on the road within their area.

Baluchistan.

Baluchistan, which was the first of the frontier tracts to show rapid recovery after the upheaval consequent upon the last Afghan War, enjoyed during 1923 a fairly peaceful year. Mention was made in the last Report of the raiding activities of the colony of Wazir irreconcilables, who had established themselves at Shahjui in Afghanistan. In December 1922 the Quetta and Nushki districts were threatened by raiding gangs, but the miscreants were foiled by timely military precautions, and after enduring severe privations, beat an ignominious retreat. The Afghan Government subsequently admitted responsibility for the work of this

gang, and formally paid over compensation for the private and public damage committed by the marauders.

The settlement effected last year with the Suleman Khels, who migrate yearly during the cold weather from Afghanistan to India, and on occasions inflict severe depredations upon the inhabitants of the Zhob Agency, has proved effective during the period under review. The fact that the Afghan authorities have for their own reasons been engaged in punitive operations against this tribe, has naturally made it very careful to remain on good terms with the British. For the rest, the history of Baluchistan during 1923 was remarkable only for three incidents. In the early summer, a gang of which the leaders were outlaws from Afghanistan, perpetrated a robbery of some seriousness at Spintangi, and for some time hung about the neighbourhood committing depredations until they were finally driven out by a combination of military, police and local tribesmen. In September, Captain Baker Jones, an officer of the Indian Medical Service, was killed, while proceeding from Loralai to Harnai, by two tribal malcontents, who subsequently took refuge in Afghanistan. From the statements made by the murderers to members of their tribe who interviewed them, it would appear that they fired with no intention of killing but in order to advertise their tribal grievances. On November 30th, again, Major Finnis, the Political Agent of Zhob, was murdered by a gang consisting of four Wazirs and two Sherani outlaws who had come into Zhob with the intention of committing a serious outrage. This was an effort on the part of the irreconcilable section in Waziristan, which will doubtless in due course meet with its just retribution. Regarding the internal affairs of Baluchistan, there is fortunately little to record. Outside political influences have exercised but small effect; and the people are well content with the present system of political development, which entails the minimum of outside interference and the settlement in the main of their own affairs in their own customary way. On the Western border, a new situation has arisen from the gradual increase in power lately manifested by the Persian Government. During the War the disappearance of Persian authority in outlying provinces had necessitated the location of a garrison of Indian troops in the Sarhad to safeguard the railway to Duzdap. In the course of 1923, the Persian Government announced its intention of resuming control of the Sarhad, and reinforcing its authority over Persian Baluchistan. Accordingly, early in 1924, after the exchange of formal courtesies, a contingent of Persian troops took over the Sarhad from the Indian

INDIA
AND
ADJACENT COUNTRIES.
REFERENCE
CALCUTTA
BAY OF BENGAL
INDIAN OCEAN
ARABIAN SEA
GULF OF SIAM
TIBET
BHUTAN
ANDAMAN ISLANDS
NICOBAR ISLANDS
MALDIVE ISLANDS
LACCADIVE ISLANDS
Tropic of Cancer
64° E. of Greenwich

garrison, and thus brought matters to the condition in which they had stood before the War.

The North-West Frontier Province.

From this brief consideration of the tract which on the North West and West constitutes the extreme political limit of India, we may now turn eastward to those settled districts under direct British Administration which form part of the North-West Frontier Province. Economic conditions were considerably easier in the period under review than in previous years. Prices of food grains dropped considerably on account of excellent harvests. The Province has shown further progress in its return to normal conditions, after the unrest which had been a heritage from the Third Afghan War. The Administration was thus able to continue, with marked effect, its systematic attempt to suppress the raiding nuisance. In the Peshawar, Kohat, and Bannu districts, no fewer than 175 outlaws were captured or killed during the year by the Frontier Constabulary, police, local levies and village pursuit parties. It is noteworthy in this connection that the villagers are now displaying much zeal in co-operating with the constabulary against raiders. Their increasing confidence and determination is certain before long to handicap severely the initiative of marauding gangs. Since the year 1920, the number of raids and the value of loot stolen by the tribesmen have diminished enormously all along the Frontier, as a reference to the diagram on the opposite page will make amply apparent. But the occurrence of the very startling outrages committed by Ajab Khan and his fellow criminals during 1923 has brought the whole subject of raiding into such prominence in the public eye, that there is some danger lest the real and steady improvement in the suppression of the nuisance which has followed from the systematic offensive pursued by the authorities, should be deprived of the importance which is rightfully due to it.

Public interest in the North West Frontier.

We noticed in last year's report that the hardships endured by the inhabitants of the settled districts of the North-West Frontier Province at the hands of raiders, had excited much feeling throughout the rest of India. The Legislative Assembly directed trenchant criticism against the administration of the Province, whose heavy cost made the failure of the authorities entirely to exterminate the raiding gangs an additional grievance in the eyes of public opinion. The attention devoted to the whole question led to enquiries as to the desirability of revoking Lord Curzon's policy of separating the North-West Frontier Province from the Punjab. Interest moreover was stimulated by the belief, current

in certain quarters, that the more advanced inhabitants of the settled districts in the North West Frontier Province, suffer both in their political status and their judicial administration from their association with a government concerned with the direction of comparatively uncivilized tribes. In 1922 a committee appointed by the Government of India, as a result of a resolution brought forward in the Legislative Assembly, toured through the North-West Frontier Province to examine various questions which were referred to it. The trend of the evidence laid before the committee showed that the question of maintaining the North-West Frontier Province in its present condition, or of amalgamating it with the Punjab, was viewed from a different angle by typical representatives of Hindu and Muhammadan opinion respectively. Broadly speaking, the Hindu elements in the population both of the Punjab and of the North-West Frontier Province favoured amalgamation; while Muslim opinion was generally desirous of retaining the predominantly Muhammadan entity of the North-West Frontier Province in its present condition. The Committee's report was published in March 1924. The British and the Muhammadan members of the Committee concluded that it was impossible to separate the administration of the five settled districts of the North-West Frontier Province from the political control of the adjoining unadministered tracts. In consequence, they recommended that the North-West Frontier Province should be retained as a unit separate from the Punjab. They recommended, however, certain changes in the administrative and legal machinery, which include the cautious application of the Reformed Constitution to the Province; the strengthening of the judiciary; and the application of the elective principle to Local affairs. On the other hand, the two Hindu members of the Committee opposed the main recommendations of the majority. They favoured the handing over of the settled districts, and such trans-frontier areas as are controlled by Deputy Commissioners, to the Punjab Government; while reserving for the Government of India control over the existing trans-frontier agencies. In their view, the separate frontier province has proved a failure which involves a severe financial drain on India, and is accompanied by defects so grave in the administration of the settled districts that re-amalgamation with the Punjab is essential. The Government of India have so far expressed no formal opinion upon the proposals contained in the report.

The N.-W.-F. Enquiry Committee.

Its Report.

The interest which has been taken by educated India in the problem of defending her North-Western Frontier has of late years been very noticeable. It has been coupled with the healthy and wholly natural demand that Indians should play their part in the defence of their country. This demand has taken two distinct shapes; first a request for the rapid Indianization of the commissioned ranks of the regular army; and secondly for the extension of the existing facilities for training Indians in the Territorial Force. In connection with the first, the interest taken by the Legislature has continued unabated. Government has not been unresponsive; and the progress achieved in this direction, though far from satisfying Indian national aspirations, has been considerable. It must be realized that there are two main categories of officers in the Indian Army; those holding the Viceroy's commission, and those holding the King's commission. The majority of the former are men promoted from the ranks. They have a limited status and power of command, both of which are regulated by the Indian Army Act. King's commissions, which carry with them the status and power of command regulated by the British Army Act, have only been granted to Indians since the Great War. Every unit of the Indian Army includes officers holding the Viceroy's commission, while in several units there are Indian Officers holding the King's Commission. It is with the increase in the former class that Indian opinion is principally concerned. King's commissions can be obtained by Indian gentlemen qualifying as cadets in the Royal Military College, Sandhurst; or by promotion among Indian officers of Indian regiments; or by honorary grants to Indian officers whose age and lack of education preclude them from holding the full commission in the ordinary sense. Commissions of the third category are granted *honoris causa*, and are not regarded as augmenting the effective establishment of commissioned officers. The second category, moreover, is also comparatively ineffectual as a source of recruitment, since a Viceroy's commissioned officer cannot as a rule, owing to his age and lack of educational advantages, pursue a normal career as a King's commissioned officer. It is the first of the three avenues which gives the fullest opportunity to the Indian for enjoying a military career on terms of absolute equality with the British officer. Ten vacancies have in the first instance been reserved annually at Sandhurst for Indian cadets; and in order to enable Indian boys who desire to enter the

National Defence.

Problems of "Indianization."

How Indians obtain King's Commissions.

Army to acquire the necessary qualification for admission to the College, there has been established the Prince of Wales' Royal Indian Military College at Dehra Dun. The arrangements so far made will enable a maximum of 70 boys to be in residence together; the normal course of education has been planned to occupy six years. The College has so far displayed great promise; and there is every hope that it will amply achieve the intentions for which it was created. Early in 1924, it was visited by a number of members of the Legislative Assembly, who expressed warm approval of the type of education imparted, and the general conditions under which the cadets were trained. In addition to providing the means by which a satisfactory stream of candidates for Sandhurst may be maintained, the Government of India has recently made provision for the complete Indianization of eight units of the Indian Army. To these units, which include two from cavalry, five from infantry, and one pioneer battalion, Indian officers holding commissions in the Indian Army will be gradually transferred and posted to fill up the appointments for which they are qualified by their rank and their length of service. The importance of this step from a military point of view is very great. It will give Indians a fair opportunity of proving that units officered by Indians will be in every way efficient. But the mere fact that the completion of the experiment will take some twenty-two or twenty-three years, has prevented Indian political opinion, in its present mood, from realizing either the magnitude of the initial step, or the pledge which it constitutes of the earnestness of British intentions in the matter of Indianizing the commissioned ranks of the Indian Army. That the aspiration of educated Indians to assume an increasing share of responsibility for the defence of their country is both natural and praiseworthy, may be readily admitted; and inevitably it is this aspect of the question which looms largest in the judgment of Indian political opinion. On the other hand those who would press for much more rapid advance along lines the efficacy of which is still undemonstrated, expose themselves to the reply that the security of the country as a whole is a matter so vital that it ought not lightly to be jeopardised, even by those who are animated by the most commendable of intentions, for the sake of speedier progress. Turning to the Indian Territorial Force, we may notice that the constitution of the first batch of experimental units in 1921 has been satisfactory. Twenty provincial battalions are now in existence, the enrolled strength being over 12,000.

The Dehra Dun College.

Indianization of Eight Units.

The Territorial Force.

The great majority of the battalions are full; although some units still fail to attract the sanctioned quota of recruits. One of the great problems connected with the development of the force is the provision of adequately trained officers. For the command of battalions and companies, officers of the regular army are provided; and opportunities have been afforded for the further training of Indian territorial force officers by attaching them for limited periods to regular battalions. In addition to the provincial battalions, may be mentioned the University Training Corps, a section of the Indian Territorial Force which has also attained a large measure of popularity. There are now six battalions located at Bombay, Calcutta, Allahabad, Lahore, Madras and Rangoon; and two separate companies have been constituted at Patna and Benares. It is yet too early to judge of the military value of the territorial force, but the progress hitherto achieved has been satisfactory. Its full potentialities cannot of course be estimated till it has been in existence for some time longer. While it is to be hoped that the force will in future years be able to play an important part in the defence of the country, it must be realized that by reason of the comparatively limited period devoted to its training, it can hardly hope to rival the regular army in efficiency. In case of emergency, it would not be ready to take the field until the lapse of a considerable time after its embodiment. The Territorial Force has been constituted as a second line to, and a potential source of reinforcement for, the regular army. Membership of the force carries with it a liability for more than purely local service. It thus differs in scope from membership of the Auxiliary Force, which is so far confined to European British subjects. This body can only be called out for service locally in case of emergency, and is intended primarily for those who can undertake military training only in their spare time, and are unable to perform the more lengthy periodical training, which constitutes the obligation of the territorial force. Political opinion in India has tended to regard with disfavour the distinction between the two bodies; and early in 1924 the Legislative Assembly debated a motion recommending the amalgamation of the two. As a result of the debate, an amended motion was accepted by Government, to the effect that a Committee should be appointed to enquire into and report what steps should be taken to improve and expand the Territorial Force so as to constitute it an efficient second line to the Regular Army; and to remove all racial distinction in the constitution of the non-regular military forces in India, including the Auxiliary Force.

The Auxiliary Force.

India's Defence by Sea.

While as we have seen, India's defence by land presents real and serious problems, which are more and more engaging the attention of the politically-minded classes, there is another aspect of her national safety which has hitherto failed to attract the notice that it deserves. This is her defence by sea. So long as India remained a part of the British Commonwealth, the resources of sister-nations could always rally to her rescue against land attack, if her sea-ways were secure. But if once India's oceans fell under the control of a hostile power, that power could without difficulty impose its will upon her; and this not merely by cutting her communications with the civilized world, and ruining the commerce upon which millions depend; but by the remorseless process of irresistible subjugation. Secure in the mastery of sea communications, a foreign aggressor could seize scores of points upon her coast line; could land troops where he pleased, through his superior mobility; and could build up his resources for a deadly blow without the risk of interruption. In short, while India's desire for a national army rests upon solid foundation, she can hardly hope to attain a position among the Great Powers unless she is also secure from the side of the sea. She has flourished for long under the shadow of British sea-power. At present, there are many persons in India who contend that all the country needs to safeguard her national existence, if she severed her connection with the British Commonwealth, is a national army. But it seems unquestionable that she would also need a national navy, and this of a costliness which she would be for many years unable to support. At present her financial responsibility for defence by sea is very limited. She maintains the transport and survey service known as the Royal Indian Marine, and contributes a sum of £100,000 annually towards the upkeep of the East Indies Squadron of the British Navy. The more farsighted among her politicians have not failed to draw attention to the naval weakness of the country; and demands have been put forward for the establishment of a nautical college; for the admission of Indians to superior ranks of the Royal Indian Marine; and for the encouragement of India's national commerce. Progress must necessarily be gradual, first on the score of financial stringency, and secondly on the ground that India is not as yet in a position to furnish a fleet-unit fully manned by Indian officers and men. It is much to be hoped that the question of naval defence, which is generally regarded as a wholly subsidiary matter, will not be relegated to the background by the educated classes. India's coastline is

as a potential source of danger at least as formidable as her land-frontier.

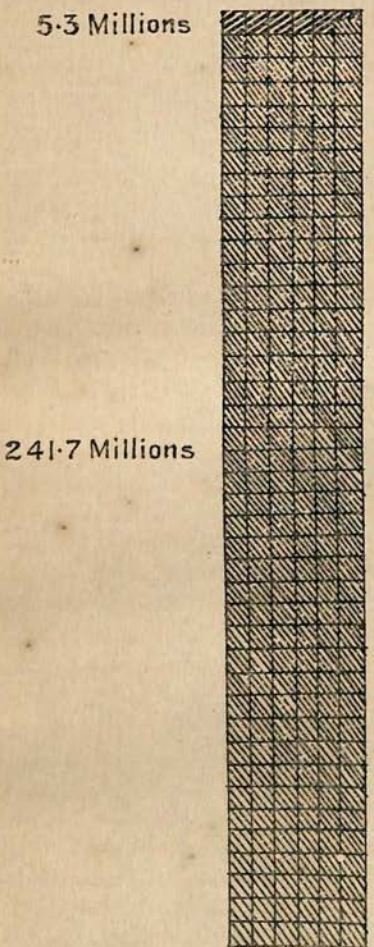
Among the contributory causes to the eagerness with which the Indianization of the Army is pressed by Indian political opinion, must be reckoned considerations of economy. That India spends upon her military organization, including the Royal Indian Marine, a sum of about Rs. 60 crores out of a total net revenue, including that of the Central and Provincial Governments, of Rs. 223 crores, is a fact upon which Indian opinion has for some time expressed itself with increasing frankness. Quite apart from the desire to expend in other directions a proportion of the money now devoted to defence, there is a general belief which, despite the efforts of the authorities has not been dissipated, that a portion of the Indian Army is maintained less specifically for the defence of India than for general Imperial purposes. Further, the strikingly small proportion paid by India towards the cost of her own naval defence is very generally omitted as a factor in the reckoning. Military authorities maintain that in comparison with the defence expenditure of other countries, India is in reality comparatively lightly charged. In Great Britain, for example, defence expenditure in 1923 worked out at something like Rs. 50 per head of population. In the United States, which spent six times as much as India upon defence, the figure works out at some Rs. 35 per head. An even more striking example, they say, is that of Japan ; whose defence expenditure amounted in 1923 to some Rs. 118 crores, out of a total budget of Rs. 225 crores, implying a burden of Rs. 20 per head. A study of the Press shows that Indian critics are prone to discount these comparisons by the plea that the average income per head in India is so small that the burden of her defence, which works out at something less than Rs. 2 per individual, represents a far less tolerable imposition than does the greater expenditure of other countries. The military experts reply that this line of argument, while amply demonstrating the necessity for increasing, by every possible means, the income—which means the productivity—of the individual Indian, has very little relevancy to the question at issue. The defence expenditure of a country, they say, is regulated rather by her natural vulnerability and by her willingness to bear burdens for the sake of her national safety, than by the poverty or wealth of her individual citizens. It is therefore urged that while the geographical factors of India's situation both by sea and by land remain unchanged, it is difficult to conceive that she will be able to reduce with safety her national insurance against invasion. On the

Cost of India's Defence.

part of the military authorities there is full realization of the heavy burden which the present figure of military expenditure imposes upon the finances of the country ; and during the period under review, strenuous efforts have been made to effect economy. The reduction of the army in India to a post-war limit has been completed ; and His Excellency the Commander-in-Chief considers it incompatible with safety to make any further diminution in the fighting forces. In other directions the pursuit of economy is being rigorously carried on. With very few exceptions, the recommendations of Lord Inchcape's Committee have been put into effect ; and the provision for the established charges of the Army has been reduced to a figure below the standard recommended.

DIAGRAM 2.

The Voters of British India.



N. B. Each square represents 1,000,000 of population

CHAPTER II.

Responsibilities and Rights.

In order to elucidate the present constitutional position in India, and to explain the feeling, at present so characteristic of the politically-minded classes, in favour of further advance, it is necessary to preface a short sketch of the reformed constitution, which India is now working. It should be remembered that from the year 1833 to the year 1919, the administrative system of the country was highly centralised. Subject to the superintendence, direction and control of the Secretary of State and Parliament, the Government of India was vested in the hands of the Governor-General-in-Council. In deference to considerations of practical convenience, this centralization had been accompanied by considerable devolution in matters of detail; but the Government of India, as agent for the Secretary of State, were largely concerned in all major matters of administration. The increasing complexity of the administrative machine led to an appreciation of the obvious disadvantages of a system so centralised; and from the beginning of the XX Century onwards, more and more attention was devoted to the possibility of decentralization: and there was a tendency both on the part of Parliament and of the Government of India gradually to abdicate their functions in the sphere of provincial administration. This tendency was both exemplified and enforced by the Montagu-Chelmsford Reforms. The subjects of administration are now divided definitely into the categories of Central and Provincial. In the latter are included local self-government, medical administration, public health and sanitation, education, public-works and water-supply with certain reservations, land revenue administration, famine relief, agriculture, fisheries and forests, co-operation, excise, the administration of justice subject to legislation by the Indian Legislature, registration, industrial development, police and prisons, sources of provincial revenue and many miscellaneous items. A large measure of devolution from the Central to the Local authorities has thus been provided.

Administrative Devolution since the Reforms.

There remained however the problem of strengthening and increasing the element of popular control, which was the professed object of the

Montagu-Chelmsford Reforms. This problem was complicated first by the necessity of providing some reasonable continuity of administration; and secondly by the fact that the popular elements upon whom in future responsibility would fall, were lacking in experience. It was therefore decided to divide the functions of government in the provinces into two halves, one still amenable to the British Parliament, the other amenable to an authority now for the first time called into being, the Indian Electorate. The first half of the provincial executives is constituted by the Governor, working with executive councillors nominated by the Crown; the second is constituted by the Governor, working with Ministers whom he selects from elected members of the local legislature. To correspond with this division in the executive, the subjects of provincial administration have similarly been divided into two parts, named for convenience "reserved" and "transferred." The reserved subjects are administered by the Governor and his Council, who are responsible to the Government of India and ultimately to the British Parliament. The transferred subjects are administered by the Governor and his Ministers, who are intended to be amenable to the Indian electorate. Among the transferred subjects, are included a large number of those functions of the administration upon the development of which India's progress depends. Among them may be mentioned education, industrial development, local self-government, medical administration and public-health, excise, agriculture, fisheries, co-operation, and many other items.

Association of Popular Elements with Government.

The plan of dividing the provincial executives into two halves was adopted because in the circumstances of India at the time of the Reforms, those in control found it difficult to devise any alternative method of combining stability with progress. From the standpoint of constitutional theory, the scheme was much criticised; first on the ground of the inherent difficulty of rending asunder the seamless fabric of administration; secondly, since all the provincial legislatures were to include a substantial majority of elected non-officials, it seemed probable that a virtually irremovable executive might be confronted by an irresponsible legislature. It is true that to obviate the risk of deadlock, the Governors were given a reserve of authority which enabled them to carry on the essential work of the administration irrespective of the policy of the legislature. In the sphere of the transferred subjects, this

The Dyarchical System.

reserve of authority was naturally more restricted than in the sphere of the reserved subjects, upon the maintenance of which the whole structure of orderly government really depended. But the existence of this discretionary power, however inevitable it may have been, naturally tended to weaken the responsibility of the legislatures. During the first three years of the new constitution, the elected members of the various local councils employed their power in a manner which was on the whole wise and temperate; while the executive governments have attempted to carry on the administration both of reserved and of transferred subjects, in a manner as far as possible in harmony with the wishes of the legislatures. The result has been that many provincial administrations have worked with greater smoothness than was anticipated by critics.

The Working of the Provincial Constitutions.

Since the Government of India have recently commenced a careful enquiry into the working of the reformed constitution, with a view to a removal of the defects which its operation has revealed, it would be premature to enter into a detailed criticism, for which, indeed, the materials are not available to the present writer. None the less, a study of press opinion, combined with an appeal to the experience of officials and non-officials intimately connected with the working of the reforms, serves to bring to light certain broad conclusions which are so generally recognised that they are unlikely seriously to be modified by the results of the official investigation. It is apparent in the first place that the new provincial governments have certain solid achievements to their credit. A large body of very useful legislation, covering a wide range, stands upon the statute book, in testimony to the influence exerted by non-official opinion in the various legislatures. It is also plain that in many provinces a system of "government by committee" has been initiated. Standing committees of the legislatures have been associated with the work of administration, and their members have acquired a valuable insight into the practical problems of government. Furthermore, the appointment of *ad hoc* committees has been the favourite method of investigating provincial problems of an important type with a view to discovering possible solutions. The educative effect of this process upon the elected members of the legislature has been very marked; and before the end of the first reformed councils, was reflected in the general tone of the proceedings. Further, the working of the provincial governments under the new conditions has led to the growth of provincial solidarity. That

Achievements.

the resulting centrifugal tendency is by no means an unmixed gain, may readily be admitted ; but on the whole the advantage of lessening the distance which in India divides the individual citizen from the administrative machine, may be held for the present at least to outweigh the disadvantage of growing provincial separatism. Finally, we may note that the achievements of the local legislatures, and the reality of their influence over the general policy of the executive have amply demonstrated the efficacy of what may be called constitutional methods of political progress, as against the sterility which has resulted from those systems which advocated the opposite course.

Deficiencies.

But on the other hand no observer can fail to notice that the dyarchical constitution of the provincial executives has not entirely realised the intentions of those who formulated the scheme. The fundamental assumption underlying the hope that dyarchy would lead to the growth of responsibility was the postulation of an intimate connection between the ministers and the legislature. It was indeed believed that this relation would gradually approximate to something roughly parallel to the Cabinet system. For while it was not contemplated that the ministers should resign every time their proposals were defeated in the legislative councils, it was thought that they would stand out broadly as party leaders, commanding for the support of their policy compact and influential sections of the elected members. Had such a contingency been realized, the legislative councils would rapidly have acquired a decisive influence over policy concerning the transferred subjects ; and only the establishment of a convention that a minister, when defeated, should give place to the head of the opposition party, would have been necessary for the consummation of a system of responsible government on the transferred side. Unfortunately, this development has not taken place. The opinion of the Indian press has been almost unanimous in certain of its criticisms upon this point. It is urged in the first place, that there has been a noticeable tendency in the majority of provinces for the ministers to work in far closer relationship with their executive colleagues than with the councils, to which they are in theory responsible. In consequence, it is said, the fact that the popular half of the provincial government ought to be something quite different from the official half, both in its relations to the legislature and in the discharge of its administrative functions, has not been generally appreciated by the public. Moreover, Indian political opinion of the section which took keen interest

nsibility has not grown.

in the working of the reforms, has from the first been extremely anxious to assimilate the position and the functions of the ministers to those of the executive councillors; without perceiving that the true line of advance lay in an exact reversal of this process. But perhaps the most fundamental explanation put forward of the apparent slowness of the dyarchical system to foster the growth of responsibility between the ministers and the legislatures, is the fact that no clear-cut parties developed during the life of the first councils. The elected members were all, broadly speaking, representative of one political standpoint, even though certain sectional and communal differences existed. They had inherited from the pre-reform councils a traditional opposition to government; and this opposition they tended to bring to bear upon the transferred as well upon the reserved side of the executive. Except in Madras, where there has throughout been a strong identity of interests and outlook between the ministers, who are non-Brahmins, and the dominant non-Brahmin party of the legislature, and in the Punjab, where the Muhammadan members of the legislature have generally looked to their coreligionist minister for guidance, the ministerial half of the provincial executives have had as a rule no definite party of support in the legislature. One consequence of this has been a further confusion in the popular mind between the ministry and the executive councillors; since the ministers, not knowing how many votes they can command in the councils, have been compelled to look upon the official nominated members as the nucleus of their voting strength. At the same time, the ministers have generally been obliged to seek support for their projects by personal canvassing among the elected members, who have thus great influence in the shaping of proposals, but no credit for success, and no blame for failure. Nor has the rudimentary character of the party system in the reformed legislatures exercised an unfortunate influence only upon the growth of ministerial responsibility; it has resulted, with perhaps two exceptions, in the executive governments of the various provinces being obliged to carry on the business of administration without a working majority of any sort in the legislature. Such a state of affairs, if long persisted in, must inevitably result in weak administration. Further, the absence of clear-cut parties, with their internal discipline, has resulted in many provincial legislatures functioning rather as a collection of individual critics, who do not separate in their own mind questions of policy and questions of administration, but tend to trespass more

No Clear-cut Parties.

Consequences.

and more upon the functions of the executive. The difficulty of the position in which the ministers of many provinces have found themselves, has been enhanced by the period of financial stringency from which India is but now emerging. Generally speaking, funds have not been available for those spectacular developments in the sphere of education, sanitation, or public health, which alone could have convinced the general public that ministers exercise a vital influence upon the conduct of the administration. A study of the provincial budgets does not, in point of fact, lend full support to the popular theory that the transferred subjects have been starved. The allocation of funds between the reserved and the transferred side of the Government, seems to average about two-thirds and one-third respectively of the provincial income; and it must be remembered that to the reserved side is debited the cost of the major portion of the administrative structure. But when full allowance is made for this consideration, the fact remains that in the majority of provinces the ministers have not been able to dispose of funds to the extent which they have desired. Further, despite the general harmony which seems to have characterised the relation between the ministers and the permanent officials of the departments under their control, the position has not been free from difficulty; and there is reason to believe that some ministers have considered themselves unduly fettered.

Difficulties of the Ministers.

From all that has been said, it will be apparent that the working of the reformed constitution in the provinces has been no easy matter. The general success with which it has functioned has been due first to the fact that the elected majority in the provincial legislatures was, during the life of the first councils, composed of men for the most part genuinely anxious to work the constitution and to avoid deadlocks; and secondly to the fact that the provincial governments as a whole proceeded to the furthest possible limits in their endeavours to shape their policy in accordance with the wishes of the elected members. The result of the decision of one wing of the Congress party to seek entry into the reformed councils will be considered more fully in another place. It is here sufficient to notice that the presence, in the second legislatures elected under the reformed constitution, of an element more extreme in its views, has undoubtedly served to stimulate the growth of political parties in the parliamentary sense of the term. In the one legislature where the Swarajist members possess an indefeasible majority over all other parties, they have already terminated

Later Developments.

the dyarchical system. Elsewhere, they have devoted their energies as a rule to the construction of compact opposition blocs ; and by their frankly expressed desire to render the working of the present constitution impossible, they have driven those members who do not see eye to eye with them politically, to adopt some corresponding form of group organization in order to avoid submergence. The old tradition that elected members are bound to oppose government on every occasion, while still possessing vitality, seems on the wane ; and it is already apparent that the councils which have recently been elected are far less individualistic, and far more prone to operate in parties and blocs than their predecessors. Even so, however, the difficulties with which the executive are faced persist ; and it seems probable that one of the most important questions with which the official enquiry will be obliged to concern itself, is the problem of so modifying the relations between the provincial executives and the provincial legislatures, that working harmony prevails between them.

Position in the Central Government.

The position in the Central Government during the life of the first reformed councils differed considerably from that which obtained in the provinces. There is no dyarchical system in the Government of India ; yet the popular House contains an overwhelming non-official majority. The natural tendency has been for many activities of the Government of India to be brought under the influence of the Legislature. And while this influence has in practice been operative along many lines, it is exercised by a body which has no constitutional responsibility for carrying on the business of government. The framers of the constitution did, it is true, attempt to obviate deadlocks by conferring on the Governor-General power in grave emergency to override the Legislature. But the exercise of this power, however inevitable during the present transitional consitution, has proved unfortunate in two ways. First, it is distasteful to the Legislature and tends to exascerbate relations with the irremovable executive ; secondly, it weakens whatever sense of responsibility the considerable powers possessed by the Legislature might be expected to foster. For since the ultimate decision on vital questions rests with the Governor-General, an authority who from the point of view of the Legislature is not only irremovable, but also immune from discussion, the elected members can, if they so desire, play the parliamentary game with most of its privileges and none of its penalties. If the Government of India accept the opinion

The Executive and the Legislature.

of the elected majority, the responsibility either for good or for evil still remains with the executive. If good result, the elected members are naturally able to claim credit with the country ; if the consequences are evil, there is no inducement for them to assume an onus, which really rests upon the shoulders of the executive. On the other hand, if the opinion of the elected members is not accepted by Government, no matter with what weight of argument the officials are fortified in their refusal, the only consequence is that the legislature is affronted, and Indian political opinion is presented with a new grievance. It says much for the reasonable temper generally displayed by the elected majority in the first reformed assembly that the relations between the executive and the legislature remained on the whole very cordial. Situations calling for the intervention of the Governor-General's reserve powers arose infrequently. But in each instance their use aroused both disappointment and resentment. The general harmony between the executive and the legislature was of course greatly facilitated during the life of the first assembly by the readiness of Government to conform, so far as possible, to the wishes of the elected members. Such steps as the repeal of many " repressive " laws ; the practical abolition of racial discrimination in criminal trials ; the systematic commencement of the Indianisation of the Indian Army ; the enunciation of the new policies both in regard to railway administration and tariff control ; all these, and many other instances which might be quoted, serve to show the amenability of the executive to popular pressure. Indeed, it might fairly be said that except when in the opinion of Government some fundamental of peace, order or good administration, was in question, the opinion of the legislature has ordinarily prevailed ; and this not merely in questions of policy, but also in what may be called details of administration. This fact is the more important on account of the inevitable tendency of the legislature to increase the scope and influence of its deliberations by encroaching upon the sphere technically reserved from its control. For example during the allocation of funds at the time of the budget, it has been established that the Assembly can discuss both military and political expenditure. The practical experience of administrative questions which the Assembly acquires through the enlargement of its sphere of action by conventions such as this, may reasonably be deemed a substantial gain. But the experience of the first Indian legislature showed that the relations between the Assembly in particular and the executive were so delicate that the consti-

The Legislature's Great Influence.

tution could only be made to work by the determination of both sides that it should do so. It is interesting to notice that in the Assembly, unlike the provincial councils, something like a party system grew up fairly early. The reality of the divisions between the various groups was however somewhat weakened first by the general tradition of opposition to the executive, and secondly by the fact that the elected members were all drawn from that section of political opinion which desired the success of the reforms.

Parties.

Nevertheless, during the first two years of the life of the assembly there were moderately compact groups under recognised leaders. Party discipline was not, it is true, always effective ; but at least it was possible to negotiate in the Lobby, and across the Floor of the House with definite groups. In the third year of the first assembly, the party system began to break up ; in some measure, it would seem, owing to the realization that party divisions were not dictated by any broad questions of principle ; and in some measure owing to the discontent manifested by the great majority of elected members at certain executive acts, particularly the appointment of the Public Services Commission and the restoration of the enhanced duty on salt. When the new Assembly met, it became plain that the situation was radically altered by the appearance of a compact and well-disciplined Swarajist bloc. During the first session, as we shall have occasion to notice below, the party discipline exercised by the Swarajists both over members of their own group, and over non-Swarajist members of the Nationalist coalition, served to illustrate in exaggerated degree the difficulties of a system under which the legislature, while possessed of extraordinary influence and power for obstruction, has no ultimate responsibility either for the consequences of its own action, or for the administration of policy by the executive.

The realization by India of responsible government, foreshadowed by the Montagu-Chelmsford Reforms, postulates the development of administrative capacity and civic consciousness among a class considerably more extensive than that which furnishes the elected members of the provincial and local legislatures. Only upon foundations which are adequate in extent as well as solid in structure, can the future fabric of a self-governing India be erected. This consideration lends particular importance to the institutions of local self-government, which in every democratic country provide at once for the inception and for the training of public-spirited activities in the service of the State. Unfortunately, in few branches

Local Self-Government.

of national life is the contrast between India and the West so marked as in this sphere. Among the Anglo-Saxon peoples, the institutions of local self-government are planted deep in the individual consciousness. The superstructure of freedom and of democracy which characterises such countries as England and the United States is a direct and logical development of the principles inherent in the institutions of local self-government. In India the situation is different. For many centuries indigenous institutions containing the elements of a structure of local self-government have, it is true, existed in some parts of India. And although they seem to have been concerned with somewhat trivial affairs, they may well have played a considerable part in the life of the average citizen during the long history of the country. But from the modern standpoint they appear to have suffered from certain serious defects. In the first place, they were not based upon elective institutions but upon reverence for age, in combination with hereditary privilege, or caste exclusiveness. In the second place, they were not correlated with the institutions of superior administration ; had few definite functions entrusted to them ; and did not stand as representative of the locality in the eyes of the government. Their activities in fact, were supplementary to those of the administration, and were accordingly rather ignored than encouraged by the higher powers. During the anarchy of the XVIII Century these indigenous institutions fell largely into decay ; and early British administrators, confronted with the task of erecting order out of chaos, found few traces of this primitive local machinery which they were willing or able to utilise among the foundations of modern India. It is therefore true to say that the structure of local self-government in its present form is mainly a creation of British rule. It has been imposed upon the people from above ; partly as a measure of decentralization ; partly as an educational process, and is thus to some extent alien from the spirit of the people. And while these institutions have struck their roots more deeply year by year, they have until lately displayed no very considerable progress. This fact is attributed in many quarters to the strict official control under which they were for long maintained. We may notice that so far back as 1882, a resolution of Lord Ripon's Government laid down in the clearest terms the principle that the object of local institutions was to train the people in the management of their own local affairs ; and that political education of this sort must generally take precedence over considerations of departmental efficiency. But

Indigenous Institutions.

Imported Ideas.

this pronouncement became inoperative on account of the natural inclination to administer local institutions through official agency, which was both able and willing to relieve the non-official members of municipalities and district boards of the small responsibilities actually allotted to them. Hence there came into existence a vicious circle. The municipalities and district boards remained apathetic because the powers entrusted to them were as a rule insignificant. On the other hand these powers continued insignificant because of the lack of public spirit among the members. The result was that for many years the institutions of local self-government in India failed to enlist the unpaid services of that class of public-spirited men, conscious of an ability to wield power, upon which the system has been primarily built both in England and in America.

A brief survey of the condition of municipalities and district boards in India in 1921-1922—the latest date for which complete statistics are available—will reveal the general progress which can be claimed for the institutions of local self-government.

Municipalities in British India.

Taking first municipalities, it may be noticed that there are some 751 in British India, with something over 18,000,000 people resident within their limits. Of these municipalities, 683 have a population of less than 50,000 persons, and the remainder a population of 50,000 and over. As compared with the population of the particular provinces, the proportion resident within municipal limits is largest in Bombay, where it amounts to 20%, and smallest in Assam where the figure is only 2%. In other major provinces it varies from 4% to 9% of the total population. When we turn to the composition of these bodies, we find that considerably more than half the total members are elected ; and that there is a steady tendency to increase this proportion. In all the municipalities taken together, the elected members outnumber the officials by nearly six to one. Ex-officio members number only 8%, and nominated members, who as a rule represent special interests, number 27%. The work discharged by municipal institutions falls under the head of public safety, health, convenience and instruction. The municipal income of Rs. 12·96 crores (£8,600,000) is derived principally from taxation ; just over one-third coming from municipal property, from contributions out of provincial revenues, and from miscellaneous sources.

Their Functions.

Generally speaking, the income of the average municipality is small ; the four great cities of Calcutta, Bombay, Madras and Rangoon, together accounting for nearly 40% of the total. The heaviest items of expenditure come under the heads of conservancy

and public works, which amount to 16% and 14% of the budget respectively. Water supply comes to 13%, and drainage to 7%. Education has hitherto amounted to about 8% ; but this proportion seems generally on the increase, and in some localities it is already considerably exceeded. For example, in the Bombay Presidency, excluding Bombay City, the expenditure on education amounts to more than 21% of the total funds ; while in the Central Provinces and Berar it is over 15%.

The District Boards.

In view of the fact that only 10% of the population of British India lives in towns, municipal administration cannot for some time to come affect in any large degree the majority of the people. Particular importance therefore attaches in India to the working and constitution of the district boards, which perform in rural areas the functions which are discharged in urban areas by the municipalities. In almost every district in British India, save in the Province of Assam, there is a board, subordinate to which are two or more sub-district boards ; while in Bengal, Madras, Bihar and Orissa there are also union committees. Throughout India at large the total number of district boards amounts to some 219, with 543 sub-district boards and more than 800 union committees. The members of the boards and sub-district boards numbered a little over 13,000 in 1921-1922 of whom 59% were elected. As in the case of the municipalities, the tendency has been to increase the elected members at the expense of the nominated and official members. Indians constitute 96% of the whole strength ; and only 13% of the total membership consists of officials. The income of the boards in 1921 amounted to Rs. 10·93 crores (£7,280,000), the average income of each district board being Rs. 5 lakhs (£34,000). The most important item of revenue is provincial rates, representing a proportion of total income varying from 18% in the North-West Frontier Province to 61% in Bihar and Orissa. The principal objects of expenditure are education—which has come remarkably to the front within the last three years—and civil works, such as roads and bridges. Medical relief is also sharing with education, though in less degree, the lion's portion of the available revenue.

Local Self-Government under the Reforms.

The institutions of local self-government in India have unquestionably derived a more vigorous vitality from the development of constitutional reforms. After the momentous announcement of the 20th August 1917 had laid down the ultimate aim of British rule in India, the Executive Government made a sustained effort to arouse local institutions

from the stagnant conditions then characterising them. In 1918 the Government of India issued an important resolution laying down in general terms the lines of progress. While reiterating the principle enunciated long ago by Lord Ripon's Government, the new resolution went on to affirm that the general policy must henceforward be one of gradually removing all unnecessary official control, and differentiating between the spheres of action appropriate for governmental and for local institutions. These principles had hardly come into operation when the introduction of the Reforms transferred the control of local self-government to ministers, responsive to the wishes of the legislatures, and elected by popular suffrage. Almost every local government has displayed itself during the last three years as zealous to foster in every way the progress of local institutions. In the Punjab, the local government has taken up three measures of considerable importance, providing for the creation of improvement trusts, for the more effective administration of smaller towns, and for the establishment of village councils. Further, every district board and every municipality in the province has been reconstituted in a more democratic form. The elective system is being introduced in all bodies where it did not previously exist ; and there has been a general lowering of the district boards franchise. Elective seats are being redistributed between communities on the basis of a mean ratio between their relative population and their relative voting strength. In the United Provinces, a District Boards Bill was passed at the end of 1922, which completely deofficialised the boards ; reduced the franchise ; and conferred certain powers of taxation. Other measures were also put forward to modify the municipal franchise in the same direction. In Bihar and Orissa the legislative council has reviewed the whole field of local self-government, and three important acts have been passed. The Municipal Act has for its object the revision of municipal law in accordance with the recent demand that municipalities should become more widely representative and contain an increased proportion of elected members. Another Act introduced direct election in the district boards, and removed them from the supervision and control of local officials. The Village Administration Act provides for the creation of unions consisting of a number of villages ; and the constitution therein on an elective basis of union boards which may be given certain important duties, including the control of village police. In their ad-

Legislative Activity.

The Punjab.

United Provinces.

Bihar and Orissa.

ministrative sphere, the boards can be entrusted with sanitation, medical relief, primary education, and the maintenance of village roads. In the Central Provinces a very important measure regulating municipalities has passed into law. Its chief features are the extension of the municipal franchise, the reduction of official and nominated members,

Central Provinces.

the extension of the powers of municipal committees, and the relaxation of official control. Both in the Municipalities Act, and in the rules framed under the Local Self-Government Act—which became law prior to the meeting of the new legislative councils—the general policy of freeing local bodies from official control has been pursued. In Assam, an important municipal measure has been passed by the local legislature, to remove certain de-

Assam.

fects which previously existed, and to bring the law in Assam in line with the more modern municipal legislation in force elsewhere in India. In Bengal two measures of first rate importance have recently taken shape. The Bengal Village Self-Government Act is intended for the promotion of local self-government by the constitution of small rural units. The Act was passed before the inauguration of the Reforms ; and despite the enthusiastic

Bengal.

support of the local Ministers, it has not been found possible to proceed with its extension as rapidly as was hoped, owing to the vigorous attacks made upon it by the non-co-operation party. An Act for reconstituting the Calcutta municipality was passed in 1923, by which the constitution of the corporation has been democratised, and women's suffrage has been introduced. The initiative in this matter was taken by the Minister for Local Self-Government, Sir Surendranath Banerjea. The Bengal Government have also realised the shortcomings of their municipal law, and have introduced a bill to remove them. This bill provides among other things for the liberalisation of the constitution of the municipalities ; the relaxation of internal official control ; the constitution of education committees, and the compulsory acquisition of lands for certain purposes. Measures are also being taken for the general amendment and consolidation of the Bengal Local Self-Government Act. In Bombay a bill to consolidate and amend various acts relating to local boards

Bombay.

has been passed by the legislative council. This measure extended the franchise, removed sex disqualifications, and gave increased powers to local boards ; constituting in short a very liberal and progressive piece of legislation. In Madras, if there has been less activity than elsewhere on the part of the

reformed provincial administration in the direction of legislative measures concerning local self-government, it is due to the fact that just before the Reforms there had been a complete revision of the Local Boards' Act, and the District Municipalities Act, accompanied by legislation relating to village panchayats, elementary education and town planning, as well as by a large increase in the number of local bodies and their removal from official control. In Burma a Rural Self-Government Act was passed to provide for the introduction of village committees in the Province ;

Burma.

the Burma Village Act of 1907 has been amended. Opportunity was also taken to cancel the provision of the existing law regarding the requisitioning of labour for the maintenance of communications, embankments and other public works.

This fresh infusion of life into the machinery of local self-government, accompanied by the gradual awakening of civic consciousness, has found expression in a certain readiness to undertake experiments.

Revival of the Panchayat.

Prior to the Reforms, the charge was not infrequently levelled against Government that insufficient use was made of the village panchayat or committee of elders ; for in India has been preserved better than anywhere else in the world the ancient unit of the village community. For some time there has been a fear lest this historic body might wither away. In several provinces, attempts were made before the introduction of the Reforms to invest the panchayat with certain powers. Of late, these attempts have been reinforced. In the Punjab, for example, a Village Panchayat Act was passed in 1921, which places this ancient institution upon a modern legal basis, and provides panchayats with powers

In the Punjab.

which will enable them to settle local disputes, and to take measures for the sanitation of villages. A similar measure is in force in the United Provinces, which provides for the establishment, at the discretion of the district officer, of a panchayat for any village or group of villages with power to deal with petty civil suits, with petty criminal offences, and with ordinary cases under the Cattle Trespass Act and Village Sanitation Act. The first panchayats under the new act were established in July 1921, and by the end of March 1922 they had increased in numbers to 5,650. Of the reports received about their working, the majority are encouraging.

In the United Provinces.

Complaints have been few ; and the work both in outturn and quality is pronounced to be deserving of credit. District officers believe that the movement is promising. A considerable degree of popular

interest has been aroused, which should make for the success of the experiment. It is however reported that a percentage of these bodies have as yet done very little ; but the local authorities have been careful to weed out panchayats which seem unlikely to be useful, and to confine the experiment as far as possible to the localities which seem most promising. In Bihar, also, legal provision exists for the constitution of panchayats exercising judicial power both in civil and in criminal cases, but it appears that these bodies have not actually been established, and hence there is no means of judging of the success of the system.

In Bihar.

There is however no reason to doubt that village self-government in India has a great future before it. Village boards and union committees are in general steadily increasing in numbers ; although the set-back caused by the non-co-operation campaign in certain localities has not yet been made good. Progress must therefore necessarily be for the present somewhat slow ; since villagers are particularly prone to suspicion of new institutions, and tend to fall victims to interested misrepresentation by the enemies of government. The aspect which presents itself to them with particular force is inevitably that of taxation ; and localities where village and union boards do not exist sometimes fear that the establishment of these institutions may be accompanied by enhanced financial burdens. Somewhat naturally, village boards share with all other local bodies in India a marked reluctance to tax themselves even for the accomplishment of purely local objects. The majority of members are quite alive to the advantages of improved administration, but are unwilling to face the corresponding financial obligations. It is generally believed that the provincial and central governments possess an inexhaustible purse, out of which they are only prevented by malignancy from drawing supplies to relieve all the financial embarrassments under which the institutions of local self-government at present labour. The sentiment that the Treasury must pay more and the people less towards the cost of local improvement, is sure of general applause in India as elsewhere ; for it is still but imperfectly realized that the Treasury can only pay out from what the public pays in.

Future of village Self-Government.

In India the pace of municipal progress is undoubtedly set by the great centres. Calcutta, Bombay, Rangoon and other important industrial cities have for some years been possessed of energetic and farsighted improvement trusts.

The Great Cities.

Indeed, the magnitude of the operations carried on by the Development Directorates in the two former cities may be said to compare not unfavourably with civic progress in other parts of the Empire. The Calcutta Improvement Trust has recently floated in London two sterling loans of £350,000 and £700,000 respectively. Important housing schemes are being pushed through ; open spaces are being cleared in congested areas ; new street alignments are being projected ; and a vigorous attack upon slum conditions is being made. In Bombay, the operations of the Development Directorate are planned upon a very large scale. Government has sanctioned a scheme for the reclamation of Back Bay, which will cost just over Rs. 7 crores (nearly £5 millions). Large industrial housing projects are being rapidly pushed on to relieve congestion ; separate areas for the accommodation of offensive trades are being laid out ; and there are schemes for suburban housing in various stages of development involving an area of more than 15,000 acres. In order to safeguard public health while projects of this magnitude are in process of completion, a special committee has been appointed to advise as to the sanitary precautions to be taken in connection with each stage of the work. In other large cities, the example set by the great centres is being followed. In the United Provinces, there are energetic improvement trusts in Allahabad, Lucknow and Cawnpore. The well-directed activity and continued response to public interests of the large municipalities throughout India is symptomatic of the prospects which the future may hold for municipal administration in towns which at the moment are less fortunately situated.

Improvement Trusts.

Before proceeding briefly to describe the functioning of municipalities and district boards in the individual provinces of India, we may note certain general tendencies which have revealed themselves in the course of the period covered by this Statement. We have already found occasion to notice the activity displayed by almost every local legislature in connection with the institutions of self-government. This activity may be taken as illustrative of an increasing interest in these institutions, which is by no means confined to the class from whom the elected members of the provincial legislatures are drawn. Indeed, among the most striking consequences of the Montagu-Chelmsford Reforms may be reckoned the gradual growth of civic consciousness as manifested in the enhanced vitality of local institutions. It is particularly encouraging to find that the greater interest now evoked by the operation of muni-

Some General Tendencies in Local Self-Government.

Increased Public Interest.

cipalities and district boards extends beyond that section of political opinion keenly interested in the success of the reformed constitution. In this connection it should be noticed that Mr. Gandhi's programme of non-cooperation was never applied to the institutions of local self-government. There was therefore nothing to prevent his adherents from taking their due share in the administration of local affairs. During the year 1922-23, as was mentioned in a previous Report, a number of non-co-operators entered municipal committees in certain parts of India. This movement has continued throughout the course of the period now under review. In the early days, there was a natural tendency on the part of certain of Mr. Gandhi's followers, when they found themselves in a majority on municipal committees, to adopt an attitude of open defiance to Government, which was manifested in such steps as the refusal of grants to Government schools. In Bombay, for example, the Provincial Government found itself obliged to suspend two municipalities, and to remove the chairman of a third. But it is pleasant to be able to record that this aggressive attitude on the part of local bodies in which non-cooperators constituted a powerful element, was from the first the exception and not the rule. Such cases as those just described naturally attracted a large measure of public attention; but broadly speaking, the non-cooperation movement has done very little to damage the institutions of local self-government. Indeed, there are distinct signs of a directly opposite tendency. From many provinces it is reported that non-cooperating Members of municipalities have endeavoured to improve the bodies of which they now form part: they have been anxious to show that they can do better than their predecessors; and in at least one province they have not hesitated to invite the cordial cooperation of Government officials in the task of increasing the efficiency of municipal administration. There has, it is true, been in certain quarters an inclination to introduce political questions into local affairs; and municipal addresses have not infrequently been presented to prominent leaders of the non-cooperation movement. But on the whole, the available information seems to show that the introduction of the non-cooperating element has been accompanied by a distinct awakening on the part of certain municipalities to their obligations towards the public at large. Municipal elections have begun to excite the keenest interest; the proportion of voters who record their suffrages is on the increase; and, perhaps most significant of all, a commencement is being made in the formation of ratepayers, associa-

Non-Cooperators and Municipalities.

tions. It may be noted in passing that in the elections held during the period under review, the non-cooperation party has been as a rule more successful in the larger towns than in the smaller; while its very creditable success in the municipalities is by no means duplicated in the district boards. These latter bodies indeed, constitute a natural field of activity for the landowners and men of property. Local influence has as a rule been predominant; but the mere fact of the candidature of the non-cooperation element has lent to district board elections in certain provinces an atmosphere of liveliness, which has gone some way to dispel the apathy that until recently was characteristic of rural politics.

In District Boards.

There is another tendency, and that of a less pleasing character, which may generally be remarked in connection with the history of the institutions of local self-government during 1923-24. This is the prevalence of communal feeling. Particularly throughout certain parts of Northern India, the relations between the Hindu and Mussulman members of municipal and district committees have been marked by serious tension. In certain towns indeed, Hindu-Muhammadan feeling has completely clogged the whole of the machinery, the community to which the chairman does not happen to belong bending all their energies to the task of obstruction. And in other places, where the situation is not so serious, much time is wasted in mutual recrimination. It is of course beneficial to the efficient transaction of local affairs when the municipalities and district boards are composed of organised parties with definite programmes of local policy; but when these parties are merely communal in their outlook, and are actuated almost solely by sectarian interests, the consequences are uniformly disastrous. It is sincerely to be hoped that with the passing of the present wave of exacerbation which marks Hindu-Muslim relations, the members of the municipalities and of the district boards will find it possible to work together in pursuit of the lasting good of the area under their administration.

Communal Feeling.

Last among the general tendencies which characterise the year 1923-24 may be noticed the financial stringency against which the majority of municipalities and district boards in India are still struggling. It should be remembered that the new regime under which local self-government has been almost entirely free from official control, is necessarily more expensive than the older system. So long as the district officer was virtually responsible for municipal administration, his paid staff performed a considerable

Financial Stringency.

proportion of the necessary executive functions. But now that the municipalities and district boards have become almost autonomous, they have naturally found it essential to engage their own corps of executive officials. The financial effects of the change are more serious in view of the higher prices which have characterized the post-war years in India. Further, the newly constituted local bodies have everywhere devoted their attention to elaborate schemes of education and medical relief, which entail an expenditure far greater than anything which the past can show. They have rightly looked to the local governments for a measure of assistance; but the unsatisfactory condition of Indian finances has as a rule prevented this assistance from being forthcoming in the requisite degree. In many provinces therefore municipalities and district boards have fallen into debt. The obvious remedy would seem to be enhanced taxation, which is almost everywhere legally within their competence under the new conditions. But local governments report that there is a reluctance on the part of the members to face the unpopularity which fresh taxation entails. In some provinces a few municipalities are setting a courageous example, which at the moment of writing is not being generally followed. However, the universal determination to improve local amenities, particularly in the direction of education, will shortly leave both municipalities and district boards no alternative save to increase their revenue. The first step would seem to be an enhancement in the stringency of collecting existing dues. Almost everywhere, municipalities are said to be extremely reluctant to undertake coercive measures against defaulters; and in some places municipal commissioners are themselves reckoned among the offenders. It is somewhat remarkable in this connection that in the recent revision of the Calcutta Municipal Act, an amendment was actually carried in the Bengal Legislative Council to remove the provision whereby failure to pay the water rate can be penalised by stopping the water supply. We must hope that with increasing experience, the local bodies throughout India will realise the truth of the old Persian saying that clemency to the offender is tyranny to the honest man. It would seem moreover that in the actual distribution of available funds the new local bodies are occasionally displaying more enthusiasm than reflection. There is still a tendency to indulge in schemes for the promotion of some particularly favoured activity, such as education, at the expense of equally essential services such as health and communications. This tendency is perfectly intelligible; and if the financial situation were not so unfavourable, its effects would not be serious. But when the total funds at the disposal

of local bodies are so small; and when the lion's share is consumed by one or two activities, no matter how commendable, there is a distinct risk lest other services should be utterly neglected. But in this direction as elsewhere, it may be remarked that the existing defects in the administration of municipal and local boards are such as will cure themselves when the first flush of inexperienced enthusiasm has passed away.

A consideration of the present condition and future prospects of local self-government in India may well be concluded by a brief review of the various provincial activities in this sphere, during the period with which we are now concerned.

North-West Frontier Province.

In the North-West Frontier Province such institutions as municipalities and district boards are somewhat of a foreign growth. For some time certain of the municipalities have been lax in the discharge of their responsibilities, and have shown slight interest in the affairs under their control. But the appointment of non-official vice-presidents by election from among the members has proved a successful change; and the majority of the municipalities seem to be doing good work; although the Hindu-Muslim feeling constitutes a grave obstacle to efficiency. In the larger municipalities, of which Peshawar is by far the most notable, increasing attention is being directed to education, medical relief and water supply; while a beginning is being made in child welfare work. In the district boards the average attendance of official members has fallen almost everywhere; while there has been a sustained improvement in certain localities in the attendance of non-official members. As in the case of municipalities, district boards now elect non-official vice-presidents. Special measures have been taken to increase the financial resources of the boards, whether by the enhancement of the local rate, or by the imposition of a profession tax. Considerable activity is being displayed in the encouragement of education, the expenditure upon which figures at between three and four times that on public works.

The Punjab.

In the Punjab, as has been noticed in a previous section, the new principles underlying the Reforms are being rapidly applied to local bodies. Formulae have been adopted regulating the total number of members in the municipal committees, and the distribution of the elected seats among the various communities. Unfortunately, these arrangements have caused a good deal of discontent amongst Hindus, who under the previous system of distribution had a representation more than proportioned

to their population and voting strength. Communal friction has in many places seriously interfered with administration. It is reported that the question of milk supply is neglected, and that the terrible condition of the roads in most municipalities is a witness to the indifference of the members to matters of practical importance. Fortunately, municipal finance is now in a satisfactory position. District boards have also shared in the prevailing tendency to liberalisation. The system of election has been introduced in eleven boards, whose members were formerly nominated; in the remaining seventeen the elected element has been increased; and the official element has been reduced throughout. This reconstruction has undoubtedly increased public interest in the boards' activities; while the election of sub-committees to deal with specific branches of the administration has brought members into closer touch with their work. Finances are in a more satisfactory position than last year, income more than balancing expenditure throughout the province. The imposition of profession taxes upon those who do not pay land revenue is beginning to prove a valuable source of income to some boards. The allocation of expenditure still provides some grounds for criticism by the provincial government. The sums devoted to education are said to be higher than the boards can really afford; and have been accompanied by serious starvation of medical relief and communications. The authorities fear that the deterioration of the roads is likely, within a short time, to be extremely serious unless larger sums are devoted to their maintenance; and the condition of the provincial communication system will probably remain unsatisfactory so long as local bodies continue to spend a disproportionate share of their resources upon other heads.

The United Provinces.

In the United Provinces, the financial position of municipalities remained unsatisfactory; their expenditure exceeding their income by over rupees twelve lakhs. Indeed, in certain municipalities the financial position was so serious that a special officer was deputed to enquire into their circumstances. The local Government is of opinion that the first requisite is a rigorous policy of economy, to be followed, if necessary, by fearless taxation. Both courses will be unpopular; but fortunately the elections of 1923 have resulted in the return of a large number of young men keenly desirous of improving the local administration. They have entered on their duties with zeal; and while the difficulties which confront them are serious, there remains but little ground for pessimism. The district boards have been reconstituted in accordance with democratic principles.

They, like the municipalities, are entering upon their duties under serious financial difficulties. The executive services, educational, medical and others, have become more costly than before; while there is a universal demand for more and more schools, more hospitals, more sanitary improvements, and better roads. To discharge these important duties, the boards must increase their income. The new Act has conferred powers of taxation upon them; but it seems doubtful whether the members will be prepared, at least for some time, to face the unpopularity which the exercise of these powers will entail. Further retrenchment in expenditure will certainly affect the well-being of the public; so that in the last resort additional taxation is the only remedy. As in the case of the municipalities, it is pleasant to record that the new members have taken to their duties in a spirit which contrasts refreshingly with the apathy too often displayed by members of the older boards.

Bihar and Orissa.

In Bihar and Orissa it is reported that the attention focussed on local self-government in the Legislative Council has had a quickening effect on the activities of all local bodies. During the year, elections under the new Act were held in all the municipalities; and it is hoped that the recently constituted bodies will face their responsibilities both with keenness and with efficiency. The position is however somewhat difficult. The reports for 1923 show eleven municipalities whose financial position is unsatisfactory, while in nineteen others liabilities exceeded assets. With the practical abolition of internal control, the municipal commissioners have now full power to frame their own budget. Efficient administration will thus depend very largely upon the interest taken by the ratepayers in the conduct of their representatives. In which connection the formation of ratepayers' associations is a hopeful sign. In the course of 1924, district boards will also be reconstituted on an elective basis. Already there are signs of a revived interest in their activities; but here as elsewhere, the chief problem is that of finance. The existing income of the boards is still insufficient to meet the increasing demands upon their purse; while the local Government is not in a position to supplement the deficiency. The heaviest item of expenditure is still that on civil works, which account for 49 per cent. of the total. Education and medical relief figure at 19 per cent. and 12 per cent. respectively. In view however of the extensive and justifiable demand for the development of primary education, it seems likely that expenditure upon educational activities will before long bulk as largely here as in other provinces.

In the Central Provinces, the administration of local affairs by municipalities and district councils has been fairly satisfactory. Municipal income is rising; and with the passing of the new act of 1922, general interest in municipal work is likely to increase. The franchise has been so far extended as to give the vote to all persons whose monthly income is not less than Rs. 10. The scope and importance of municipal functions has been greatly increased; and it is believed that if full advantage is taken of the new powers by the recently enfranchised electors, the whole complexion of local politics will be radically changed. Unfortunately, it is reported that many municipal elections have been fought on political lines, with the result that the new committees have tended to waste time and energy over infructuous discussion, to the detriment of local affairs. District councils have been similarly affected by politics, though to a less degree. So far, there is little evidence of an increased interest in their working among the general public. It is yet to be seen to what extent the powers newly entrusted to the members, and relaxation of official control, will lead to an early manifestation of increased efficiency.

The Central Provinces.

In Bengal it is reported that the year under review has witnessed no very marked improvement in the general level of municipal administration. Many chairmen and vice-chairmen cannot afford the time which municipal affairs require, with the result that too much responsibility is entrusted to badly paid subordinates. Municipal income is as a whole still inadequate, and the incidence of taxation amounts only to two rupees fourteen annas per head of population. Some municipalities have increased their rates, and revised their assessments in a stringent manner. But generally speaking, there has been little scope for the fulfilment of badly wanted schemes of improvement. Much is hoped from the new Municipal Bill, at present on the anvil in Bengal. This will not only give increased independence by devolution and by the relaxation of official control, but will also confer ample powers to increase taxation, to enforce the improvement of insanitary buildings and areas; to control epidemic diseases; to regulate the sale of food stuffs; and to encourage the expansion of primary education. So far as district boards are concerned, their administration by non-official chairmen has proved on the whole satisfactory. In general, both chairmen and members have evinced great interest in their work, and have made many sacrifices to carry it on. The available funds are however inadequate to meet pressing demands. The twenty-six district boards of the province are primarily responsible

Bengal.

for the health and convenience of a population of more than 42,000,000 in an area of 72,000 square miles. But their revenue in 1922-23 was a little over rupees 115 lakhs, which allows an expenditure of just over four annas per head. With this small sum it is impossible to provide those facilities for water supply, drainage, improved communications, education, sanitation, and the like, for which people in the urban areas pay nearly fifteen times as much. The question of augmenting the resources of the district boards has been considered by the Conference of district boards representatives, which is held annually; and a bill providing for further financial powers has been introduced into the legislature. But the real future of district board administration probably lies in and through the organization of local resources, for which ample scope is afforded by the existence of the union boards. Already progress in the sphere of village self-government, to which reference has been made above, is gratifying; and many union boards are performing steady work in connection with village roads, improved water supply, and the provision of other amenities. Union benches and union courts are gradually becoming popular; while certain responsibilities hitherto exercised by the police have been made over to union boards officials.

Bombay.

In Bombay, the policy of freeing municipalities from internal control has been carried to its last stage. All municipalities now elect their own presidents; the number of nominated members has been reduced to a minimum; and the qualifications of electors are now theoretically based on the widest possible franchise. Yet it is reported that the working of the 159 municipalities in the Province has been on the whole disappointing. The local Government remarks that these bodies are too often regarded as mere debating societies; with whose members the social distinction of councillorship outweighs all sense of civic responsibility. And while the municipalities, now exempt from official control, have full opportunity of showing that private citizens can manage the affairs of their own town, no board has seriously applied itself to the task of putting its house in order. The finances of very few municipalities are in a sound condition; and even when normal obligations can be met, there is no working margin in hand for emergencies. Taxation of any kind, and particularly direct taxation, is apt to be shirked on account of the odium attaching to it. Municipal functions are incompletely performed, and few systematic attempts are being made to provide for the needs of the towns. It is sincerely to be hoped that the present unsatisfactory state of affairs is but a temporary phase; and that the members of the muni-

cipalities will soon take a more serious view of their responsibility to the public. In regard to local boards, there is a more cheerful story to record. The people in general are taking a greater interest in local board affairs; the members are displaying considerable energy; while the non-official presidents and vice-presidents are working well. The new Local Boards Act has conferred upon these bodies wide powers of taxation; and increased resources should enable them to fulfil their functions more fully. The new Primary Education Act enables them to embark on the expansion of elementary education in a systematic manner. The financial position is generally more satisfactory than in the case of the municipalities; but increased expenditure on a large scale will inevitably result from the new functions entrusted to them.

In Madras, the system of appointing councillors by election is in force in all the municipalities; while of the total strength of 80, no less than half consist entirely of Indian members. The financial position is satisfactory; and several municipalities have taken loans from Government for drainage, water-supply, and lighting schemes. In the case of local boards also, revenue exceeds expenditure in a satisfactory manner. All the district boards, except that of the Nilgiris, are now presided over by non-officials, two of whom are elected. The working of taluk and union boards continued satisfactory. The principal items of expenditure in the order of their importance are communications, education and public health. Government now gives assistance towards the cost of the cadre of District Board Engineers, and the pay of medical officers in charge of headquarters hospitals. The system of payment of trunk-road and other grants was revised so as to substitute payment during the course of the year for post-payment. This will have a beneficial effect upon the "ways and means" position of the boards. The accounts have been simplified in order that boards may keep them for themselves. In the future, boards will be left free to elect their own presidents, save in special circumstances.

Madras.

In the sections immediately preceding we have briefly described the working of the institutions upon which the future structure of self-government must ultimately be based. We must now examine the machinery by which society, in securing itself from disorder and anarchy, makes peaceful progress possible in this as well as in other directions. The principal arm of the State for the preservation of order among the 247,000,000 persons who inhabit British India, is the Police Force. The Indian

Peace and Order.

Police consists of about 1,073 officers of the rank of deputy superintendent and upwards, together with some 200,000 officers and men of lower grades. In addition to the civil police, there are some 19,000 officers and men of the military police, located in the wilder parts of the country. Of these more than half belong to Burma.

The Indian Police : Small Cost.

We may notice that the cost of the police force in India is small as compared with Western standards. The average annual cost of the Indian policeman varies from £38 to £19 according to locality. We may compare these figures with the average yearly cost of a policeman in the counties and boroughs of England and Wales, which is just under £270. Somewhat naturally wages in the Force are low. The salaries of sub-inspectors range from Rs. 116 per mensem, to Rs. 97 per mensem; while the pay of a constable varies from Rs. 21 per mensem to Rs. 17 per mensem. Altogether, police protection costs the Indian taxpayer something less than 1 shilling per head per annum. When all allowance is made for the difference in cost of living between India and England, the fact remains that it is found impossible to recruit for service in the Indian police a class of man corresponding to that which has brought the Force in England into such deservedly high repute. Roughly half the Indian police are illiterate. In certain provinces, the literacy-average is comparatively high, amounting indeed in Madras to more than 90 per cent.; but in the majority of the provinces it is far less satisfactory. No lengthy argument is needed to show the great handicap which illiteracy must constitute to the constable in the discharge of his important duties. It would be a mistake to imagine that the Administration are not fully alive to the necessity of attracting a better class of men to service in the Force. Efforts are continuously being made to staff the intermediate ranks by the direct recruitment of men of good family, whose standards of personal honour may be expected to produce beneficial results upon the general morale and integrity. But the root question is one of finance, and despite the efforts which have been made within the last few years to improve the conditions in which the rank and file work, much still remains to be done. Schemes have been put forward for providing the Police with suitable accommodation; for maintaining a more adequate leave reserve; and for increasing the rewards to be won by good service. In addition, special concessions such as outfit and uniform allowances, and increased allow-

Low Wages and Illiteracy.

Attempts at Improvement.

ances payable to candidates under training, have been granted in the various provinces. In consequence, there has been no general shortage of recruitment; and it is reported that in most provinces there is little difficulty in keeping the cadre up to full strength. But until the scale of wages can be placed on an entirely different footing from that which exists at present, there seems little hope of attracting, at least into the rank and file, the type of man who is really required to raise the reputation of the Indian police to the same level as that of the corresponding Force in England. Further, the natural limitations of the man now generally recruited for service in the Force is such that efficiency can never proceed beyond certain modest limits. In every country, the scientific study of crime is now essential for successful police work. Specialised central organisations, whose sole duty it is to study and tabulate the *modus operandi* of each professional criminal, have become a necessity if the struggle with crime is to be successfully conducted. In India, it has hitherto been found impossible to set up organizations of the requisite efficiency. For in the first place, the cost has been pronounced prohibitive; and in the second place, the type of mind from which such organizations must necessarily be staffed is far less common among the low-paid Indian policemen, than among their more fortunately situated comrades in other countries. But considering the difficulties under which the Indian Policeman works, his efficiency is remarkable. His discipline shows steady signs of improvement, and departmental punishments are on the decline.

Standards of Efficiency.

There is no question but that the task of the Indian police is one which might well tax all the energies of the highlypaid Forces in existence in other countries. To begin with, there is an extraordinary diversity of culture among the immense population inhabiting British India. The Indian policeman has to deal at one end of the scale with the ingenious criminal population of great cities; who are fully as expert in their nefarious practices as the most skilful of their Western confreres. At the other end of the scale he is brought into contact with individuals or communities deeply tinged with those darker superstitions which have now almost disappeared from the ken of Europe; such for example as that Kayasth devotee of the Black Art, who during 1922 murdered two women in Lucknow to propitiate his pet owl, and was subsequently declared insane; such also as those Katkaris of the Kolaba District who beat a woman to death on the supposition that she was casting spells over their

Work of the Police.

children. Between these two extremes of crime there stands an infinite gradation, ranging from ordinary theft, which is common in every country, to human sacrifice, which is still practised in certain remote fastnesses of the Burma-Assam border. In short, the work of the Indian police both in its extent and in its variety, is probably unique. It is further noticeable that among the masses who make up British India, there exist many acute differences of custom and creed, which may at any time be the occasion for violent conflict. Popular excitement is readily aroused on matters affecting religion; and within the space of a few hours a community of apparently peaceful and law-abiding persons may be temporarily metamorphosed into a dangerous mob. The police are thus frequently called upon to face situations of the most serious kind; and where communal questions are concerned, it is only natural that the impartiality of the individual policeman should be occasionally called in question. Moreover, in the fulfilment of his always exacting and frequently dangerous functions, the policeman in India cannot rely to the same extent as his comrade in other countries upon the sympathy and co-operation of the individual citizen. With some of the causes which seem at present to lie at the root of this attitude on the part of the public, we shall have occasion to deal in a succeeding paragraph; but apart from any temporary exacerbation of relations between the policeman and the citizen, there remains the broad fact that civic responsibility in India has not attained a level corresponding to that of Western countries. In view of the fact that the structure of peace and order characteristic of the British Raj has been so largely imposed upon the people from above, it is not perhaps surprising to find that the average individual considers he has small part or lot in its maintenance. But in the case of the Indian States the position does not seem to be substantially different. Here also, the order maintained by the police is regarded as something for which they themselves rather than the public at large, are primarily responsible. In short, the main difficulty seems to be that the people of India have become accustomed throughout the centuries to a rule imposed, as it were, from without; which is independent of their volition and has no roots in their consciousness. So long as the individual citizen does not conceive of the State as something that has definite claims upon his co-operation, it seems unlikely that the policeman will receive that support in his duties, without which both his integrity and his efficiency can hardly rise much above their present level.

General Difficulties.

These permanent factors, which of themselves constitute a serious handicap to the work of the police in India, have of recent years been reinforced by certain temporary influences making in the same direction. The reports of the Provincial Governments are unanimous in the contention that one effect of the non-cooperation campaign has been to inoculate the masses far and wide with a contempt for constituted authority. Constant declamations against law and order, whatever the motives of the declaimers, cannot but encourage those persons who are naturally prone to indulge in anti-social activities. Hence quite apart from the difficulties to which the non-cooperation campaign, in its strictly non-violent aspects, has exposed the police, in common with other branches of the Administration, local Governments are generally of opinion that there has been a deplorable relaxation of that restraint upon violent crime which the forces of order normally exercise. One consequence of the weakening of the authority of the police has been an increase in dacoity or gang robbery, which at the best of times is one of the most formidable problems which India presents. Bands of depredators, composed commonly of men of violent character and bad life, combine to rob and murder peaceful villagers in circumstances of almost inconceivable brutality. In the United and Central Provinces, in Central India and to a less extent in Bombay, gang robbery has attained serious dimensions during the period under review. One of the difficulties of bringing dacoits to book is the fact that they commit such terrible atrocities both upon their victims and upon those whom they suspect of giving information to the police, that the average local inhabitant is reluctant to take any share in assisting the authorities to suppress them. In the course of the year 1923 a gang of dacoits in the Borsad Taluk of the Bombay Presidency spread terrorism to such a degree that ordinary law and order were seriously threatened. The local Government was not convinced that the inhabitants of this area were doing their duty to the State; additional police were therefore quartered on the locality, and the cost charged to the people. Under the leadership of certain non-cooperation stalwarts, the residents declined to pay, alleging that Government had itself failed in its duty of suppressing the dacoits; and early in 1924 the Bombay authorities met popular opinion by withdrawing the punitive cess which had hitherto been levied. Apart from its political aspect, the incident is illustrative of the difficulties to which the police are from time to time exposed. Indeed, the terrorism which dacoits sedulously

Special Difficulties.

Dacoity.

cultivate is of incalculable assistance to them ; the commission of successful crime over a considerable period not infrequently investing the criminal with a reputation of invulnerability among the more credulous. In consequence, the police in operating against notorious gangs can count on but little active assistance, at least in the immediate locality ; and it is only when a successful enterprise has broken the power of the dacoits that people in general have the courage to testify to the detestation which dacoity inspires in them. Towards the end of 1923 a gallant piece of work on the part of the United Provinces police led to the capture of a Bhantu gang which had for long terrorised certain districts. The exploit evoked the most extraordinary enthusiasm among the local public. The police, returning in triumph with their captives, were received by a cheering crowd. Bazars were lavishly decorated ; addresses and garlands were forced upon the officers. And yet, until the reputation which dacoit gangs have built up for themselves is shattered by the enterprise and determination of the police, public opinion seems, doubtless in many cases through sheer fright, almost acquiescent. It is however to be noticed as a symptom of better things that the villagers in tracts particularly susceptible to the dacoity nuisance are beginning to display greater courage and greater resolution in defending themselves against attack. In the United Provinces, in particular, plucky resistances are now the order of the day where dacoits are bold enough to attack whole villages ; but the police still find it remarkably difficult to secure conclusive evidence against gangs brought up for trial. This is of course not remarkable in view of the fact that dacoits have been known to roast victims alive on a slow fire in cases where they suspected that information was being given to the police. Occasionally, we may notice, an enterprise which presents the appearance of a dacoity is later seen to display the characteristics of a regular rebellion. Such is the case with the rising, until recently still formidable, in the Gudem Hills of the Madras Presidency. Thanks to the ascendency which the chief figure, one Razu, had attained in the locality, the movement quickly attained serious proportions after one or two initial successes. The difficulties of the country and the skill displayed in ambushing pursuing parties, exposed the police to severe loss ; and it was ultimately found necessary to requisition the services of the military police. At the moment of writing, news has been received of the death of Razu, and it is understood that the movement has been be entirely suppressed.

The general situation of the country during 1923-24 has thrown upon the shoulders of the police special duties of an extremely unpleasant

kind. Mention was made in last year's report of the fact that the police have been compelled on various occasions to oppose and disperse bands of Akali Sikhs. Fortunately, during the period now under review, there has been no such incident as that of Guru-ka-Bagh ; but the strained relations still unfortunately persisting between the Sikh reforming party, and the Government have placed a considerable burden upon the police. The decision of the leaders of the reforming party to constitute " non-violent " *morchas*—literally appointed places for a combat—both at Bhai Pheru and at Jaiton, have compelled the police to arrest Sikh volunteers in large numbers. With the details of the Sikh grievance in each of these places we are not at the moment concerned. It suffices to notice that both in these localities, and in the arrests which took place near the sacred Akal Takht, the police have behaved with the utmost consideration and with every care for the susceptibilities of those whom their duty compelled them to arrest. Generally speaking, the Akalis have remained true to the vow of non-violence with which their enterprise was consecrated ; but on more than one occasion the police in the exercise of their duty have been subjected to very rough handling by excited mobs. Fortunately, however, their discipline has proved equal to the strain ; and despite the popular odium to which the performance of their task has exposed them, the number of well substantiated complaints against them has been remarkably small. Another occasion when the police came into conflict with the exponents of non-cooperation was provided by the " National Flag," agitation at Nagpur of which an account is given in a subsequent chapter. Here also the good temper and self-control of the Force was displayed in trying circumstances.

Unpleasant Duties.

During the period immediately under review, communal tension has imposed a serious obligation upon the police. Throughout the earlier days of the non-cooperation movement, the combination of Hindus and Muhammedans on a common platform in opposition to Government, accounted for a marked and gratifying absence of religious riots. But subsequent events have led to a weakening of the bond which produced the entente ; and at the present moment the differences between the two communities are among the outstanding factors of the general situation. Mention was made in last year's report of the serious Hindu-Muslim riots which broke out at Multan in September 1922. Even after peace had been restored, the local relations between the two communities continued so unsatisfactory that an unfortunate effect was exercised not only upon the

Communal Tension.

Punjab, but also upon many other parts of India. In the course of the year 1923-24 communal feeling has shown no signs of abatement. There have been serious breaches of the peace between Hindus and Musalmans at Amritsar in May, at Ajmere and Saharanpur in August. Sometimes one, sometimes the other community has been the aggressor; but in every instance the police have been compelled to bear the brunt of the disturbance.

A particularly sinister feature has been the recrudescence of anarchical movements. During 1922, as we noticed in last year's statement, anarchical crime was fortunately absent; but the warning was given that it would be premature to conclude that the old party of anarchy had either disappeared or had abandoned its designs. Early in the year 1923 Government received information that some ex-revolutionaries in East Bengal were again engaging in loot, and devoting part of it to political purposes. At the same time the desirability of renewing revolutionary activity on the old lines was being discussed. From the beginning of the hot weather a series of armed dacoities, culminating in the murder of the postmaster of the Sankaritolla Post Office in broad daylight, took place in Calcutta and its outskirts, in which the methods employed were remarkably similar to those of the old revolutionary gangs. The arrest of the murderer and the receipt of further definite information enabled a conspiracy case to be instituted against certain persons. The situation began to assume a serious aspect, as Government became possessed of evidence of the existence of a wide-spread revolutionary conspiracy. In August 1923, in proroguing the Bengal Legislature Lord Lytton, the Governor of the Presidency, pointed out the implications of the movement. He stated that organised revolutionary societies, of which Bengal has had such an unhappy experience, had once more come into existence. It was no case, he continued, of mere political opposition, of criticism of Government or of seditious propaganda. There was a conspiracy of dangerous, fanatical criminals, among whom violence was an acknowledged creed, and terrorism a deliberate policy. The Governor's speech led to considerable comment, much of which revealed scepticism as to the seriousness of the situation. But by the middle of September it became apparent to the authorities that strong measures alone could avert another outbreak of political crime and assassination. Resort was had to an emergency law, and the detention of some of the more prominent members of the revolutionary movement was sanctioned. This step excited unfavourable criticism

Recrudescence of Anarchy.

among many sections of the public, who were reluctant in the first place to believe that matters were as bad as Government maintained; and in the second place viewed with disfavour the detention of individuals without trial. The press as a whole commented unfavourably; but when Government took pains to lay before representative journalists the kind of information upon which their policy was based, organised propaganda began in a group of journals for the purpose of counteracting revolutionary crime. Unfortunately, there is still a section of the press in Bengal which, in addition to promoting the spread of academic bolshevism, continues to glorify in scarcely veiled terms the exploits of former revolutionaries. The anniversary of the death of Jotindra Nath Mukherjea, who after a series of daring murders and taxi-cab robberies had attempted to organise a revolution in India with German help, was celebrated in different papers by long and laudatory notices. He was held up as the idol of the youth of Bengal, and as an exemplar of how life may be fulfilled by welcoming death. It is important in this connection to remember that the issue between the authorities and the anarchists is still somewhat clouded in the eyes of certain persons by the consideration first that the anarchists are fellow-Indians while the Government is regarded as alien, and secondly by the fact that anarchical crime, which scarcely touches large numbers of the public, is not connected in the popular mind with those dangerous implications which cause the authorities to regard it so gravely. Thus, while, as we shall have occasion to notice on a later page, demands for the release of persons interned for alleged complicity in revolutionary crime have been continuously voiced by responsible individuals and by reputable journals, the actual amount of sympathy existing in the minds of the general public either for these outrages, or for those who commit them, as opposed to those who are suspected of complicity, is extremely limited. The murder, early in 1924, of Mr. Day, an Englishman who had no connection with Government, but was mistaken by a young Bengali anarchist for a high police official, aroused strong feeling among the Indian, as well as the European, population of Calcutta. But there is an undoubted tendency to overlook the immense harm that can be caused to immature and emotional youths by pronouncements which would seem, with whatever reservations, to endorse and extol revolutionary methods. In another part of India during the same period there has also been an anarchical movement of a formidable kind. In the Punjab, a gang of revolutionaries, who posed as enthusiastic

Attitude of the Public.

In the Punjab.

exponents of the Sikh cause, committed a series of cold-blooded murders through the Jullundur and Hoshiarpur districts. The victims were in all cases persons known to be well-disposed and loyal to the Government; but the prospect of loot seems in many cases to have afforded an additional incentive to the murderers. A cyclostyled leaflet was circulated advocating the use of violence as opposed to the non-violent doctrines adopted by the Sikh reforming leaders. Soldiers were incited to murder their officers and the people at large were called upon to kill all foreigners. So bold and so violent did the gang become within a short space of time, that a state of terrorism prevailed throughout the two districts. The authorities took vigorous action; but not until a large force of extra police, supported by the military, had come into operation, was it found possible to convince peaceable persons that the resources of the so-called Babar Akalis were unequal to their designs. A series of affrays between the criminals and the forces of order took place; as a result of which the gang was crushed, and its individual components one by one rounded up after desperate resistance. The relief of the localities when the incubus which had oppressed them had disappeared, was very great. It should be noticed that the Babar Akali organization was from the beginning denounced by more responsible sections of the Sikh community.

The Police and the Public.

We have now passed in brief review certain of the difficulties which attend police work in India. In the light of the facts already noticed, regarding the low level of wages prevalent in the force, and the corresponding limitation upon the social and educational qualifications of the rank and file, it would be no matter for surprise if the heavy burden imposed upon the Indian Police were too great for them to bear. But on the whole it may be said that their work is remarkably efficient; and that they discharge their difficult duties in a manner which redounds to their credit. There is, however, no disguising the fact that they are not popular with the general public. They are indiscriminately accused of high-handedness, of corruption, and of oppression. But it is only fair to remember that misconduct on the part of any member of the force, however humble, is eagerly seized upon in the public press, which is often prone to assume that the whole organization may be judged by isolated instances of bad behaviour. Further, in times of agitation, such as India is now passing through, the policeman, as the arm of the Executive, is frequently brought into direct conflict with the exponents of political ideas. The non-cooperation campaign has thus been res-

ponsible for throwing the constabulary more than ever upon their own resources, and for widening the gulf which divides them from the sympathies of the general public. This is realised by the authorities, who of recent years have done much to introduce improvements into the conduct and discipline of the police. Local Governments generally are now taking great pains to instruct members of the force, by means of training courses and special schools, in their duties towards the public. Stress is laid not merely upon technical efficiency in the discharge of professional duties, but also upon the necessity of courtesy and civility towards individual citizens. In point of fact, the faults of which the police are still freely accused, are now steadily diminishing. But it may be questioned whether the force can hope to enjoy the esteem and confidence of the public at large, so long as it is popularly associated, at least in the eyes of the politically-minded classes, with the maintenance of the present governmental regime. For there is a natural disposition to identify the police with the existence of the British Raj; and to regard them as obstacles to the achievement of India's national aspirations. There is a tendency to ignore the fact that any government, whether indigenous or foreign, must necessarily maintain order; and in the process is obliged to restrain by various means those activities which it regards as subversive of its own authority. It is indeed unquestionable that political considerations do in practice lie very largely at the root of the unpopularity of the police in India. This is not however the whole explanation; for among classes of society which are at present scarcely interested in political progress, the police are also not infrequently regarded with dislike not unmixed with fear. In times of crisis when dangerous disturbances have to be suppressed, or a locality has to be defended against the ravages of dacoits, there is an instant demand for their services; and their conduct in circumstances of peril and difficulty is generally applauded. But where, as happens in so many places in India, the local sub-inspector of police is the real representative of the arm of the State throughout a given area, the behaviour of the Police in every day affairs is freely criticised. The road towards winning for the Police an increased measure of public appreciation would seem to lie in so raising the morale and the intelligence of the force that its members may be trusted in all circumstances to use their authority with discretion.

Sources of Distrust.

Possibilities of Improvement.

As has already been noticed, this is partly a question of pure finance, and partly a matter of developing the civic consciousness of the

general population to a point at which the policeman is adequately supported by public opinion in the performance of his proper functions, and overtly condemned for any abuse of the trust reposed in him. When this has been accomplished, there should be little difficulty in bridging the gulf between police and public. The Indian masses are generally law-abiding, and drastic action against offenders arouses little objection, so long as there is no suspicion that the offences are political in their implication. In this respect it is curious to notice the contrast between the bitter feeling aroused among the Bengal public by the detention of suspected anarchists under Regulation III of 1818, and the enthusiastic passing, by representatives of that same public, of the extremely drastic Goondas Act, which provides for the summary deportation from Calcutta of up-country foot-pads. It may therefore be hoped that with the advance of India towards self-government, the political motive which at present underlies a considerable portion of the criticisms directed against the police in certain sections of the Press, may gradually be removed; while steady improvements in conduct and in discipline may simultaneously cause them to be recognised the friends and protectors of the general citizen. Among all grades of the force, there is ample heroism and deep devotion to duty, as many instances during the last few years have shown. The interest excited by the unveiling of the Memorial to the body of police who were cruelly murdered in the performance of their duty at Chauri Chaura affords grounds for hoping that the heavy obligation owed to the Indian police by the peaceful inhabitants of the countryside is beginning to be recognised. In performing the ceremony, Sir William Marris, the Governor of the United Provinces, delivered an impressive address to the memory of the public servants who had fallen. " The cenotaph which I am about to unveil," he said, " bears a medallion on which appears the motto, chosen by His Majesty the King Emperor Edward VII as inscription for the King's Police Medal which he instituted. The words are: ' To guard my people.' These words fittingly express the prime duty of every police officer. They are the servants of the public, employed in the public interests to protect the lives and property of the public, their own countrymen.

Heroism.

" In some quarters there is a tendency to talk about the police as if they were an expensive and unnecessary excrescence on the natural body of the State. I hope it is not mere pedantry to remind such critics that the apparently dissimilar terms ' police ' and ' politicians ' are

The Chauri Chaura Memorial.

in origin and in essence one: that is to say they equally go back to the ancient conception of a 'polity,' a settled civic existence. But whereas the politician is a secondary product created by the policy, the police, as indeed their name shows, were thought of as identified with the very polity itself; the existence of a police force to ensure order was assumed to be an essential condition of all political life; a condition without which, as Chauri Chaura shows us, there would speedily be no politics and no politicians at all.

"You know how several of the northern districts expressed their gratitude to the police for delivering them from the long and bitter oppression of the Bhantu dacoits. I have been told also that many of the subscriptions paid by private individuals to the relief fund were really made as thank-offerings for police protection afforded them at the time of the agrarian disturbances in 1921-22. This affords hope that in the not distant future the public in India will come to realise that the police are the natural protectors, not only in cases of oppression, but in the many difficulties which best the daily life of the inhabitants of all countries."

The Jails.

A necessary concomitant to the work of the Indian police is the Indian Jail system. There exist in India 42 central jails, 179 district jails and 552 subordinate jails and lock-ups. These institutions accommodate an average daily population of 116,600, the bulk of whom are derived from the agricultural labouring classes. Indian Jails as a whole are very healthy; the average death-rate per cent. being 1·97 as compared with 3 per cent. for the free population. The total expenditure on prisons amounted in 1920-21 to Rs. 153 lakhs, against which must be set Rs. 20 lakhs derived from jail industries.

The Jails Committee.

The maintenance of Indian prisons, though subject to all-India legislation, now falls within the provincial sphere; but the obvious advisability of proceeding on certain general principles of uniform application recently led to the appointment of a Jails Committee. Its report contained the first comprehensive survey of Indian prison-administration which had been made for thirty years; and its recommendations have already given rise to far-reaching developments. Stress was laid by the Committee upon the necessity of improving and increasing existing jail accommodation; of recruiting a better class of warders; of providing education for prisoners; and of developing prison industries so as to meet the needs of the consuming departments of Government. Among other recom-

mendations may be mentioned the separation of civil from criminal offenders; the adoption of the English system of release on licence in the case of adolescents; and the creation of children's courts. Much attention was also devoted in the report to the improvement of the reformative side of the Indian system. The Committee recommended the segregation of habituals; the provision of separate accommodation for under-trial prisoners; the institution of the star-class system, and the abolition of certain disciplinary practices which are liable to harden or degrade the prison population.

Action on the Report.

Consistent action has now everywhere been taken to carry into effect the recommendation of the Jails Committee. Unfortunately the process has been hampered by financial stringency; since many of the changes advocated entail heavy expenditure. Overcrowding, which was noticed by the Committee as a serious defect in several provinces, has now very largely been remedied. Fresh rules have been drawn up to govern such matters as jail punishment and jail offences, while the infliction of whipping is carefully regulated. Solitary confinement has been abolished as a prison punishment; the remission system has been improved; and attempts are now being made to teach the convict a trade which will assist him to become a useful citizen when he has served his sentence. In several provinces special committees have been appointed to advise Government as to the religious needs of the various communities represented in the jail population. Juvenile jails have been instituted; and where they cannot be provided owing to financial stringency, arrangements are being made for the release of child offenders on bail under the custody of their parents. General improvements have also been made in the food and clothing of prisoners; the star-class system is being introduced; and concessions are made in regard to interviews and letters. In several provinces, advisory boards have been constituted to review periodically the sentences of long-term prisoners. The major portion of these reforms have been carried through by the initiative of the provincial governments; the Government of India having for the most part confined their attention to laying down certain general principles in regard to which uniformity is possible.

Reformative Work.

Quite apart from the stress which has recently been laid upon the reformative side of prison work by the Jails Committee, attention has been paid for a good many years to the ameliorative treatment of criminals. In the arrangements made for youthful offenders, India is not far behind modern

administrations in other parts of the world. The Borstal system is flourishing in several provinces; reformatory and industrial schools are now provided in several of the larger cities. Many local governments are devoting particular attention to the institution of children's courts; and both Bengal and Madras have recently embarked upon legislation to provide the machinery by which children who show a tendency to lapse into crime may be removed from pernicious surroundings, and handed over to approved custody. But the success of any movement for reclaiming the criminal classes depends ultimately upon the help of the general public. Voluntary organizations now exist in various parts of India for the benefit of discharged prisoners. The Salvation Army, in India as elsewhere, devote special attention to the care of these unhappy individuals, and provides means of livelihood to prisoners conditionally released. Its work deserves the utmost sympathy and support.

Voluntary Effort.

There also exist in various localities Released Prisoners' Aid Societies; which discover employment for discharged prisoners; restart men in their old business; provide food, clothing and shelter; and generally assist in every way to the rehabilitation of ex-prisoners as useful members of society. At t e same time, these organizations endeavour to organise and focus public opinion for the purpose of securing that sentences of imprisonment shall be passed only in cases where offenders cannot adequately be dealt with under the supervision of probation officers. Work of this kind, despite its immense value to society in general, does not attract either the interest or the support of the public at large. There are, it is true, signs that the welfare of the prison population is gradually being recognised as a legitimate object of philant ropic endeavour. In many places it has been found possible to appoint honorary visitors; and the ministration of Muhammadan and Hindu preachers to the jail population is everywhere spreading. The success of the Jail Department on its reformative side is intimately connected with the measure of support which the general public evinces in such activities as those just described.

Of late, the Jail Departments of India have been exposed to a severe strain owing to the sudden emergence into prominence of what are loosely called "political" prisoners. A large proportion of these people were followers of the non-cooperation movement, who had been arrested and sentenced for deliberate defiance of authority. They included persons from almost all classes of society, but were on the whole of a type very different from

Political Prisoners.

the customary jail population. The difficulty of dealing with this influx of individuals many of whom claimed to be acting for conscience's sake, would have been experienced in considerable degree by any prison system; but in India the difficulty was enhanced owing to the fact that the jail authorities are as a rule accustomed to deal primarily with rough, illiterate and dangerous men. Strict discipline is thus eminently characteristic of the Indian system; being indeed essential for the mere safety of the jail. Public opinion in India was deeply moved by stories, in most cases exaggerated, as to the conditions under which these prisoners were made to live. There was indeed a general demand that all of them, irrespective of the exact nature of the offences for which they had been sentenced, should be treated somewhat in the fashion of honoured guests of the Government. The authorities from a very early date devoted considerable attention to the problem. The Government of India, after conferring with representatives of local Governments, issued general instructions to enable prisoners convicted of certain classes of offences to be accorded special treatment. These instructions were not restricted to the case of men sentenced for offences connected with political movements, but applied to all prisoners who fulfilled the prescribed conditions. All persons convicted of an offence involving violence or of an offence against property, or of incitement thereto; all persons hired to commit offences in connection with political movements; all persons convicted of attempts to seduce soldiers or policemen from their allegiance; or of offences directly involving criminal intimidation, were definitely excluded from the special treatment category. With these exceptions, it was laid down that each case should be considered on its merits; and that the selection for differential treatment was to be based upon the status, character, and education of the prisoner, as well as upon the nature of his offence. Prisoners so selected were to be separated from the ordinary jail population; might import their own food and bedding, and wear their own clothes; might possess books and magazines, receive visitors and letters at stated intervals, and enjoy exemption from labour, and from menial duties. Generally speaking, the principles laid down in these instructions were already being acted upon by local Governments. But the concession therein implied were very far from satisfying Indian political opinion. Many of the special class prisoners went out of their way to make things difficult for the authorities, who were compelled to take disciplinary action against them. Moreover, the arrests of large numbers of people in connection with such movements as the Nagpur

Their Treatment.

Flag agitation, and the Morchas at Bhai Pheru and Jaiton, swept in to the jails a heterogeneous collection of persons, all of whom were popularly regarded as entitled to the special treatment. Accordingly, during the period under review, the line adopted by the authorities in selecting offenders for this treatment was often criticised. Complaints frequently appeared in the press regarding the sufferings of this or that personage of local repute; and although the authorities took every possible care to investigate all well-grounded complaints, and to remove their cause, political opinion in India remained dissatisfied. There was a further regrettable consequence of the admission of these prisoners in large numbers to the jails. Their contact with the ordinary convicts, which their numbers made almost inevitable, at least at the commencement of their sentence; and the differential treatment accorded to them, resulted in a general deterioration of the standard of discipline. The administration of the jails became very difficult, especially as the authorities were reluctant to take strong measures against men of refinement and education. At the time of writing, fortunately, there are signs of improvement. Large numbers of these men have now been released, either from the expiration of their sentences or on their own apology; and with the exception of the Sikh volunteers, who still offer themselves for arrest in large numbers, the proportion of persons who have been sentenced to terms of imprisonment for offences arising out of political movements is now greatly reduced.

Law-Making.

In the pages immediately preceding, we have briefly described the machinery by which the law of British India is enforced. We may now consider the manner in which that law is shaped. It has already been pointed out that the Montagu-Chelmsford Reforms have introduced considerable modifications into the law-making bodies of India. In the local legislative councils the proportion of official members has now been fixed at a maximum at 20 per cent. while the total personnel has been enlarged. In Madras, Bombay, Bengal and the United Provinces, the number of the members of the legislature is fixed by statute at a minimum which varies from 111 to 125; but in practice these numbers have been generally exceeded, except in the case of Bombay. For example, Madras has nine members in excess of its statutory minimum; Bengal has fifteen, and the United Provinces five. In the Punjab, Bihar and Orissa, and the Central Provinces, the statutory minimum varies from seventy to ninety-eight. In the Central Provinces the minimum figure is adhered to; but

Local Legislatures.

Bihar and Orissa has 103 as against the statutory minimum of 98; and the Punjab has 93 as against the statutory minimum of 83. Throughout the provincial legislatures, elected members are required to constitute at least 70 per cent. of the total strength. The work accomplished by the provincial legislatures during 1923 was impressive. Their legislative activities may best be judged by a summary review. As in 1922, considerable activity was displayed in the matter of local self-government. Municipal Acts of various kinds were passed in Madras, Bengal, the Punjab, and Assam. A Local Self-Government Act was passed by Bihar and Orissa. Port Trust Acts are reported from Madras, Bombay and Bengal. There was also a good deal of important legislation in the sphere of finance. Madras, the United Provinces and the Central Provinces amended the Stamp Act as applicable to these areas. The United and Central Provinces amended their Court Fees Acts; Bombay passed an Entertainments Duties Act; while the United Provinces imposed taxation on motor vehicles. Education also claimed a considerable share of the activities of the local legislatures. Two University Acts were passed in Madras and the Central Provinces; while a third was amended in Bihar and Orissa. The Bombay Legislature passed a very important Primary Education Act. Social legislation was also not lacking; Opium Acts were passed in Bombay and in the Punjab; excise acts in the United Provinces and in the Punjab. Bengal can boast of a progressive Children's Act; and, like Bombay, embarked upon severe restrictions against immoral traffic. Industrial development came in for its share of attention. In Madras and Bihar and Orissa, Acts were passed providing for State Aid to Industries; the Punjab can show an Industrial Loans Act, and a Fisheries Act. Bombay passed a Boiler Inspection Act; and Bengal an Aerial Ropeways' Act. In the sphere of public safety may be noted the Goondas Act and the Village Chaukidari Act, in Bengal; a Habitual Offenders Restriction Act and a Rangoon Police Act in Burma. Land revenue and settlement matters were dealt with by a Tenancy Act in Bengal; a Land Revenue Act and the Oudh Rent Act, from the United Provinces; the Chota Nagpur Tenancy Act from Bihar and Orissa; and Land Revenue and Tenancy Acts from the Central Provinces. Among miscellaneous pieces of legislation we may notice a Prevention of Cruelty to Animals Act from Bombay; a Smoke Nuisance Act from Bengal; a Students and Juvenile Smoking Act from Assam, and a Food Adulteration Act from Bihar and Orissa. In addition to these more noteworthy

Provincial Legislative Activities : 1923.

pieces of legislation there was a great deal of miscellaneous law-making activity of the kind necessitated by the transfer of many subjects to the control of the new Provincial administrations. It would be instructive, if space permitted, to review in detail the work of the provincial legislatures in various parts of India, but since this is impossible we may for purposes of illustration confine our attention to the single important provincial legislature of Bengal.

The Bengal Legislative Council.

A brief review of the achievements of the first legislative council elected under the Montagu-Chelmsford Reforms in the presidency of Bengal, serves to show at once the achievements and the limitations generally characteristic of the new provincial legislatures. It has been pointed out that the functions of a legislative body may be divided under three main heads; the first constructive, including the making of laws and the provision of funds for carrying on the administration; the second inquisitorial, that is to say, the eliciting of information as to the acts and intentions of the executive; and the third critical, comprising scrutiny both of the policy and of the acts of government. During the first year of the existence of the Bengal Council, the attention of the members was concerned almost exclusively with activities which fall under the second and third heads. A powerful volume of criticism was brought to bear upon the whole field of administration, chiefly by means of the discussion of resolutions on matters of general interest. During 1921, one hundred and thirty-five such resolutions were actually debated. It is interesting to compare this figure with those which are derived from the practice of the House of Commons. In 1918, when the House sat for 136 days, the total number of resolutions on matters of general public interest moved by private members, was only 34; and in 1919, when the Commons sat for 163 days, the number of similar resolutions was 41. As regards the second function, the searching nature of the inquisition exercised by the council may be gathered from the fact that nearly 1,300 questions were asked and answered. During the first year, probably on account of the predominance of critical and inquisitorial activities, the legislative achievement of the council was small. In general, the local Government remarks, there was a lack of appreciation of the exact constitutional position as between the reserved and the transferred sides of the executive. Hence arose a certain disposition to treat the administration as being entirely responsible to the council; a misapprehension which doubtless accounts for the very great activity displayed

Practical Achievements.

in attempting to reduce grants for reserved subjects. The second year of the council's work yielded a fair crop of legislative enactments, of which the three most noticeable were fiscal measures, designed to save the finances of the province from collapse. They brought a great deal of obloquy on the legislature, which displayed considerable courage in shouldering its obligations. There were certain other pieces of legislation during the same period which do not call for particular remark. During the last year of the council's work, that is to say 1923, legislative achievements were noteworthy, including an Aerial Ropeways' Act, a Calcutta Port Amendment Act, a Rent Amendment Act, a Goondas Act, a Tenancy Amendment Act, a Suppression of Immoral Traffic Act; and perhaps most important of all, a Calcutta Municipal Act. From the point of view of legislation, the first reformed council in Bengal can thus show a good record. Throughout the whole life of the legislature the number of questions and of resolutions showed no signs of diminishing. The interest of the non-official members spread over the whole field of administrative activity, exercising a considerable influence upon the policy of government. The council employed its financial powers in a manner more extensive than is generally realised. Under the Act, it has the power to refuse a demand for a grant relating to a reserved subject, as well as a demand relating to a transferred subject; but if the Governor considers the grant for the reserved subject essential for the discharge of his responsibility, he may restore it. During the life-time of the first Bengal Council, more than 2,000 motions for reductions of demands for grants were tabled, the majority of which referred to the reserved departments. In consequence of adverse votes, various projects on the reserved side, regarded by Government as of primary importance, were abandoned or postponed. Among other examples may be quoted the partition of the Mymensingh and Midnapore districts, as also the postponement of work on the Grand Trunk Canal. The power of certification was sparingly exercised by the Governor. The Council was insistent in pressing upon the local government the necessity for economy; and in deference to its wishes, expenditure was curtailed to the extent of rupees 89 lakhs in 1921-22, and rupees 48 lakhs in the following year.

General Tendencies.

We may notice in the history of the first Bengal Council the prevalence of certain of those tendencies which have already been described in general terms on an earlier page of this Chapter. In proroguing the legislature on August 31st, 1923, pending its dissolution, Lord Lytton pointed out

that the real meaning of responsible government had not been yet fully appreciated either by the electorate or by the popular representatives. He remarked upon the general failure to distinguish between that portion of the executive which was responsible and that which was still irresponsible. Both were indiscriminately classified as the bureaucracy, and regarded as a fair target for invective. "I feel" he went on "that the experience that has been gained in the last two years and a half has been of the utmost value as a training in the exercise of responsibility; but that the progress made in utilising the machinery of the constitution has been small." It is in fact plain that the first reformed council in Bengal failed, as did corresponding bodies in other provinces, to perceive that it is now in the power of the elected members to control the composition of part of the executive. If the majority of the legislative council can combine into a solid bloc, they are able to ensure that the ministers in charge of transferred subjects shall be selected from their own strength. But the conception of an irresponsible and irremovable executive is at present too deeply engrained to be eradicated all at once. In consequence, as the local Government of Bengal remarks, the opportunities of gaining experience in the exercise of responsibility have so far been largely wasted. After the recent elections, as we shall notice in a subsequent chapter, the entry of the Swaraj Party into the Bengal Council, provided for the first time a compact bloc under an acknowledged leader. Unfortunately, the Swarajists, by their refusal to accept office, voluntarily abdicated the most important power which the present constitution places in the hands of the body of opinion which triumphs at the polls. The Bengal Government considers that it is doubtful if the extent to which the Montagu-Chelmsford Reforms have met popular demands is fully realised, judging at least by the imperfect use generally made of the power which popular representatives could wield if the spirit moved them to do so.

The Central Legislature.

Having thus summarised the work accomplished in the first term of a reformed provincial legislature, we may turn to a consideration of the Central law-making bodies of India, and to their activities as revealed in the course of this period. We may recall the fact that the new Government of India Act has substituted for the former Imperial Legislative Council a bicameral legislature, composed of two Houses, styled respectively the Council of State and the Legislative Assembly. The Council of State consists of 60 members including the President, of whom 33 are elected, and 27 nominated. Among the nominated members not more than

20 may be, and at present 15 only are, officials. The Legislative Assembly consists of 145 members including the President, of whom 104 are elected and 4 nominated. The nominated members include 26 officials. During the life of the first legislature under the new Government of India Act, popular interest was very largely concentrated upon the Legislative Assembly. The Council of State performed functions of a valuable if unostentatious nature; but it is generally recognised that the second Chamber can scarcely attain its full stature as a revising body until such time as the element of responsibility finds its way into the constitution of the first. It is therefore with the achievements of the first Legislative Assembly, elected under the Montagu-Chelmsford Reforms that the succeeding pages will briefly deal.

The First Legislative Assembly.

We may recall that the first reformed elections were fought at a time when large sections of the electorate had abstained, under Mr. Gandhi's influence, from exercising their rights, and when the candidates themselves had to endure much obloquy from fellow-countrymen whose esteem they highly valued. It was thus in circumstances of considerable tension that the legislative assembly had met in Delhi in February 1921. Within a week of its inauguration, the Chamber was asked, on a motion by Mr. Jamnadas Dwarkadas, to discuss the administration of martial law in the Punjab during 1919. Government was called upon to express regret that the administration in question departed from the principles of racial equality, on which India's connection with the British Empire was based; to mete out punishment to officers guilty of improper use of their power; and to see that adequate compensation was given to the families of those killed or injured at Jalianwalla Bagh. The debate which followed did much to exercise the Punjab spectre. European and Indian speakers alike, recalling the Duke of Connaught's recent appeal "to bury along with the dead past, the mistakes and misunderstandings of the past" urged the withdrawal of that part of the motion which called for further punitive action. The resolution as amended was carried unanimously, to the immense benefit of the general political atmosphere of India. The Assembly early concerned itself with matters of high policy. The most important debate of the first session was connected with the adoption of a proposition that "the Army in India should be entirely under the control, real as well as nominal, of the Government of India, and should be free from any domination or interference by the War Office, on matters of military policy,

The First Session.

organization or administration; and such co-ordination as may be desirable between the military policies or organizations of different parts of the Empire should be secured by discussion and agreement at conferences at which India would be adequately represented." The important principle recognised in this resolution was emphasised later in the session by a comprehensive series of motions connected with the report of the Esher Committee. These were in the main accepted by Government, and gave formal sanction to the progressive Indianisation of the commissioned ranks of the Army, and to the placing of that Army upon a national basis. Among other notable achievements of the first session may be mentioned the appointment of committees whose labours resulted in the repeal of the Press Act, and of certain measures of a character generally described as repressive. Mention must also be made of the appointment of a Commission to examine the tariff question, which was the first fruits of the Parliamentary Joint Committee's pronouncement on India's autonomy in fiscal matters. A notable step in paving the way for the Assembly's control over the expenditure of the Government of India was also taken, in the establishment of a Standing Finance Committee. That the newly elected members were not afraid of facing the obligations laid upon them by the constitution was proved by the fact that they agreed to the imposition of enhanced taxation in order to balance a deficit budget.

In the Simla session of 1921, the Assembly was called upon to consider a political situation even more serious than that which had faced it in February. The non-cooperation movement had increased in vehemence; the activities of the Khilafatists in Malabar had evoked a dangerous rebellion; and Mr. Gandhi had declared his intention of organising a boycott of the projected visit of the Prince of Wales. Government laid their cards frankly upon the table, and called upon the Assembly to support them in their policy. In consequence, the steps which were being taken to deal with the Moplah outbreak, were strongly endorsed; the line adopted in connection with the non-cooperation campaign was approved; and the proposed visit of the Prince of Wales heartily acclaimed. In other directions also, the Assembly performed valuable work. A committee was appointed to consider what amendments could be made in the Criminal Procedure Code for removing racial distinction between Englishmen and Indians in criminal trials. This committee subsequently produced a report, now embodied in legislation, which represented an achievement of no little political value in the removal of a longstanding grievance. That the Assembly was

not satisfied with the existing constitutional position appeared from the resolution, passed without division, recommending that the Secretary of State should be informed that in the view of the Chamber, the progress made by India on the path of responsible government warranted a re-examination of the constitution at an earlier date than that prescribed in the Government of India Act. The substance of this resolution, it may be remarked, received continuous and emphatic endorsement in later debates. But the reality of the power exercised by the elected members over the policy of the executive, received a remarkable illustration in this very session, when a grant for the expenses of the projected Indian tour of Lord Lytton's Committee on Indian Students was rejected. Another advance registered by the Assembly in the financial sphere was seen in the new income tax bill, which laid down the lines on which income tax should be collected, but left the imposition of any particular figure to be settled year by year between the executive and the legislature. This first Simla session was also noteworthy from an attempt which was made to constitute parties in the assembly. The project was defective owing to the absence of any real support outside the walls of the chamber; to the laxity of discipline which even to the end the organizers were unable to remedy; as well as to the absence of those clear-cut divisions of political opinion among members of the legislature without which party differences necessarily remain artificial. It must however be credited to the political acumen of the members of the first assembly that they early realised the desirability of a party organization, fully appreciating the additional influence which such a system would enable them to exercise in determining the policy of the executive.

Uneasiness of the Assembly.

The support which the Executive Government received from the Legislature, was of great value throughout the whole of this critical period. The non-cooperation movement had now reached its zenith. Riots and disorders were occurring in many localities; and the authorities were compelled to take action of a character which the situation seemed to demand. The Liberal Party which was predominant in the Assembly, while strongly disapproving of the methods of the non-cooperators, gradually became uneasy lest the policy of Government should be carried to a point at which general political activities would be rendered difficult. They were however disillusioned as to the possibility of coming to terms with the non-cooperation leaders, by the breakdown of the project for a round table conference. Accord-

ingly, when the Assembly met at Delhi in January 1922, Government was able to secure the rejection of a resolution, moved by an Independent member, calling upon them to abandon their policy. But while non-official members were generally prepared to support the authorities in reasonable measures directed against the disorderly implications of Mr. Gandhi's campaign, there remained an undercurrent of uneasiness, which was considerably reinforced by the resignation of Mr. E. S. Montagu from the Secretaryship of State for India. During this same session both European and Indian non-official members continued to press for constitutional advance, taking as their immediate objective the removal of the distinction between votable and non-votable items in the Budget. The financial activities of the Assembly were very noteworthy. In response to its insistent demand for economy in Central expenditure, Government agreed to appoint a Committee to report on the possibility of retrenchment in all branches. The eventual outcome of this decision was the constitution of the committee presided over by Lord Inchcape, which in 1923 overhauled, with drastic results, the entire expenditure of the Government of India. Called upon once more to meet a deficit budget, the Assembly took up a very strong line. It refused to sanction the proposed doubling of the salt-tax, and cut down the demands for grants by what was generally an arbitrary percentage. In this way considerable reductions were made in the proposed expenditure, while the estimated revenue was reduced by nine and a half crores. Government being now committed to a policy of thorough-going retrenchment, did not exercise its reserve powers to upset this decision. The proof of the influence which the Assembly can exercise over the purse was still further marked by the acceptance of the suggestion that the Standing Finance Committee should be entitled to scrutinise all proposals for new votable expenditure, to sanction allotments out of lump-sum grants, to suggest retrenchments and economy, and generally to assist the Finance Department. The Assembly also devoted considerable attention to the question of Indianisation. In the debate on a resolution to establish the principle that recruitment for the All-India services, except those of a technical character, should be made in India, the House accepted a Government amendment that enquiries should be made from the Provincial Governments on the measures possible for the increased recruiting of Indians for the services. In fulfilment of this promise, the O'Donnell circular was issued, which formed one of the incidents leading up to

Retrenchment.

Indianisation.

the appointment by His Majesty's Government of a Royal Commission on the Public Services, under the chairmanship of Lord Lee of Fareham. In consequence of another resolution, a committee was appointed to consider the measures to be taken for the establishment of a nautical college, for training of Indians for the higher ranks of the Royal Indian Marine, and for the encouragement of the growth of an Indian mercantile marine. Strong nationalist tendencies found further expression in the discussion of the Kenya question which had again come to the forefront on account of Mr. Winston Churchill's recent speech.

Third Session.

The third and last session of the First Assembly opened at Simla in September 1922. The uneasiness of the elected members arising from the causes previously mentioned, had been further enforced by Mr. Lloyd George's speech on the general situation in India and on the future of the All-India services. Despite Lord Reading's assurances that the policy of His Majesty's Government remained unchanged, the Assembly passed a resolution which was in effect a censure upon Mr. Lloyd George. Symptoms of strained relations between the Executive and the Legislature shortly developed in connection with a proposal to introduce legislation to prevent the dissemination of disaffection against the Indian States.

Tension.

This was the outcome of an undertaking given to the Princes as a corollary to the repeal of the Press Acts. The Assembly considered that the bill violated the spirit in which that repeal had been undertaken; and took the unprecedented course of refusing leave for introduction. As a result, the Viceroy's power of certification had for the first time to be invoked. The Session was also remarkable for much important legislative work, which will briefly be noticed on a later page. When the Assembly met in Delhi in January 1923, financial affairs loomed very large. It was generally recognised that the great task was that of balancing the budget; but the members hoped that Lord Inchcape would be able so to wield the axe of retrenchment that further taxation would be unnecessary. Although there was no lack of incisiveness about the Retrenchment Committee's proposals, this optimism was not entirely justified. The steps taken to balance the Budget, although including drastic proposals for reduction of expenditure, also took the shape of additional taxation in the form of a doubled salt duty, which had in the previous year been rejected by the Assembly. The House refused by 59 votes to 44 to accept the doubled duty, which after being passed by a non-official majority in the Council of State,

The Salt Tax Dispute.

was thereupon brought into operation by the process of certification. Bitter feeling was aroused among the non-official members, who were inclined to regard the action of Government both as ungrateful to those who had borne the burden of working the reforms, and as giving the party of cooperators scant assistance in the task of meeting their electorates. This incident cast a gloom over the conclusion of the session, which for the rest included notable achievements from the point of view of Indian opinion. The Commander-in-Chief announced that Government had decided upon the Indianisation of the commissioned ranks of eight regiments; the principle of fiscal protection to be applied with discrimination was accepted by the authorities, and a tariff board was appointed for one year in the first instance to make the necessary investigations. The Assembly also secured a victory by the announcement that Government would take under State management two railways whose contracts were about to expire. Resolutions were also carried urging the appointment of Indians in increasing numbers to high offices in the Secretariat of the Government of India; and the fixing of a reasonable proportion of Indians in the cadre of traffic inspectors on Indian State Railways. The attitude of the House towards Indianisation was further exemplified by their manifestations of disapproval at the announcement of the decision to appoint the Lee Committee on the Public Services.

When the third and last session of the Assembly was resumed at Simla, the feeling between the Legislature and the executive had not entirely disappeared. A resolution was adopted by a narrow majority recommending the curtailment of the special powers under which the Viceroy had acted in certifying the Finance Bill. A resolution for the shortening of the period of probation under the Reform Act was also carried against Government. Serious discontent was manifested against the Kenya decision; and a bill was rushed through the Assembly, despite the warning and opposition of Government, regulating the entry into British India of persons domiciled in British possessions outside the United Kingdom. On the other hand the attitude of the Government towards non-cooperation received further endorsement; a resolution calling for the release of Mr. Gandhi, and other political prisoners being defeated by a considerable majority.

Legislative Achievements.

The Legislative work achieved by the first reformed Assembly includes such important social measures as the new Factories Act, the new Mines Act, the Workmen's Compensation Act, the Traffic in Women and

Children Act, the Married Women's Property Act, and the Civil Marriage Act. In the more technical sphere of legislation, reference must be made to the massive "Code of Criminal Procedure Amendment Act," which contained 159 clauses, affecting parts of most of those chapters of the Code which intimately concern the life of the people. Equally striking were the Acts to repeal both the press legislation, and certain "repressive" laws. The Criminal Law Amendment Act, as we have already seen, has largely removed the distinctions on racial grounds, hitherto obtaining in the administration of the criminal law. In view of these achievements alone, it is difficult seriously to suggest that the first reformed Assembly can be accused of sterility. Further, in the political sphere, the disappointments involved in the occasional use of powers of certification, have altogether been outweighed by the continuous and effective pressure exerted by the Assembly upon the whole policy of the executive. In the proroguing speech delivered by Lord Reading on the 28th July 1923, the solid achievements of the legislature were strikingly endorsed by the highest authority in the land. In the course of his address Lord Reading remarked :

Lord Reading's Propogation Speech.

"The achievements of the Indian Legislature have been decried. Their position and privileges have been ridiculed ; their motives have been misinterpreted. Their sincerity and patriotism have been attacked. Let history be their judge. I am confident that no difficulty will be found in sweeping aside those travesties of their earnest and constructive labours ; but this is not all. The Assembly itself has been at times despondent. There have been moments in this House when voices have been uplifted, crying on the Reforms as a niggardly gift and a sham. My sympathy at all times is with laudable desires for constitutional advance and longings for a wider horizon ; but when I examine the position the Legislative Assembly has attained, the use it has made of its opportunities, the effect and dignity with which it conducts its debates and the broader aspect of its powers upon the policy of the Government of India, I cannot but feel that the Assembly at times takes far too narrow and restricted a view of its potentialities and real influence ; and I must suspect that sentiment on occasion tends to obscure reason and dims the vision of those solemn promises of the British Government and of the Charter of Indian liberties of which the Government of India Act is the repository. Weigh for a moment the influence and power of the representative element of this House against that of its predecessor, the Imperial Legislative Council.

Compare the realities of its responsibilities with pre-existing conditions. Reflect on the establishment on a firm basis in this House of Parliamentary traditions and on their incalculable effect on the future.

"I do not desire to enter upon a catalogue of the legislative achievements of the Legislature or to enumerate in detail those Resolutions or questions or recall those debates which have produced material results on the executive action of the Government. I prefer to recapture for a moment the atmosphere and the state of political feeling in India when I assumed my office and to ask you to judge how far this has changed and how far your influence and action have contributed to this change. When I first came to India I was at pains to get into touch with political thought, to hear grievances and study the Press so that I might acquaint myself with those matters which appeared to be a subject of general complaint. My impression of the burning questions of the day in Indian opinion as gathered from those sources was as follows. In the first place, there was a deep tide of resentment regarding curtailment of liberties. The more progressive considered the statutory restrictions on the freedom of the Press to be unnecessary, unduly restrictive and incompatible with the spirit of reforms. The same exception was taken to a number of special enactments restrictive of certain aspects of political agitation and known as the Repressive Laws, and particularly included the Rowlatt Act. Strong views were expressed to me as regards the number of British troops employed in India, the strength of the Indian Army and the burden of military expenditure. The military position was represented as showing a total want of confidence in India and as strangling the material expansion of the country by weight of army expenditure. Though Indianisation had begun in the Civil Services, the absence of any regular scheme of Indianisation of the Army was quoted as a proof of the mistrust of Indians by the British element and as designed effectually to prevent the ultimate realisation of responsible self-government in India. A like suspicion was alleged to be at the root of the failure to associate elected representatives of the people in advisory capacities with the problems coming before the Departments of the Executive Government.

"India was represented as dominated in fiscal matters by the British Government and by the economic interests of Great Britain. The stores policy of India was said to be dictated to stifle the expansion of industry in India, and accusations were levelled that its main purpose was to place the maximum amount of orders with British manufacturers. Finally, the bureaucratic Government were charged with

having established for the perfection of their own ends an unduly complex and expensive administrative machine and with having expanded its activities in directions not desired by the Indian public and out of proportion to India's resources.

"I need hardly recall to you how the case now stands in regard to those subjects. For I know that you count the measures, which have been adopted by my Government on the strength of your representation of public opinion in those matters, among the most priceless pages in your annals; you may perhaps feel that the policies you advocated are not yet in all cases fully accepted, but when you leave this House you may assuredly point to many grievances, which were the cause of much bitterness and suspicion, checked by you in their early growth and now lying strangled on the open road you have left behind you.

"These achievements arrest immediate attention; but there are other matters to be mentioned, particularly as they relate to activities of a more constructive character which will, I trust and believe, have an important and beneficial effect upon the future interests of India. In the Indian Factories Amendment Acts, the Indian Mines Act and the Workmen's Compensation Act, the Legislature has placed on the Statute-book measures destined to protect labour and has taken a progressive view of that great responsibility which rests on its shoulders as the representative of a vast labouring population. The Indian Emigration Act deals with the difficult problem of safeguarding the interests of Indians who may emigrate to find a livelihood abroad; and a striking feature of this legislation is that the final decision of measures for their protection has been vested in the Legislature itself. No measure before you was hedged about with such special difficulties as the law to abolish racial distinctions; but no rift occurred in the delicate web of compromise and good-will; and the Statute is now with us—a permanent monument of mutual desire to work together to a common understanding. In the Criminal Procedure Amendment Act the Legislature brought to a successful conclusion a task of great magnitude and complexity which had occupied the energies of our draftsmen for nearly a decade. It will fall to few Legislatures to have to dispose of a measure of such difficulty and importance in the domain of the criminal law.

"While at times sentiment has run high and some event has found the Assembly and the Executive Government apparently at opposite poles, these differences have seldom been perpetuated and friendly

and frank discussions have frequently led in the end to better understanding.

" Some differences unfortunately have remained. It was perhaps scarcely to be expected that at the present stage of the constitution every divergence of opinion between the Government and the Legislative Assembly would be composed by discussion. Often my Government has accepted the views of the Legislature notwithstanding that these did not coincide with those of the Executive. But a special responsibility has been laid by the constitution upon the Governor General in certain cases and in my judgment special powers are essential to the discharge of the duties of the Executive in the present state of constitutional development in India. Nevertheless the occasions of the use of these special powers should be and, I am happy to observe, have been rare. The most recent and notable instance of their exercise was in connection with the necessity for balancing the budget. The reasons for the action which I felt it incumbent upon me to take at that time have been published. My action provoked criticisms ; I have no intention of reopening the discussion save that I will add that in my opinion subsequent events have tended to confirm the wisdom of my original decision. The responsibility was grave and the decision rested with me alone. I trust that those in the Assembly who have felt and expressed themselves strongly on the subject will leave this House without any feeling of bitterness, holding to their opinion as their consciences may dictate and acknowledging the same liberty to others who may differ from them, among whom I count myself.

" My Government have to acknowledge a continuous and solid measure of support in times of disturbance and agitation from the Legislature, and in general a steady influence exerted for the maintenance of law and order. I have said enough, I trust, to establish beyond controversy the real advance accomplished and to place beyond the power of depreciation the disciplined efforts to increase the well-being of the people of India which have characterised this, the first Indian Legislature."

CHAPTER III.

The Economics of Administration.

While from the financial standpoint, India occupies a more fortunate position than that which has characterised the majority of other countries since the War, she has not been entirely exempt from the general dislocation. Recently she has passed through five years of unbalanced budgets. But a supreme and successful effort was made by her Government to secure financial equilibrium; with the result that she now only awaits an improvement in International trade conditions to embark upon an era of commercial and industrial expansion.

General Conditions of India's Finances.

By way of introduction we may summarise briefly certain general conditions which regulate the finances of the country. Taking first the external aspect, it should be noticed that India has large commitments in London, in payment for which a sum of from £25,000,000 to £30,000,000 sterling is annually required. The major portion of this sum is represented by interest on the capital which India has borrowed for the purpose of internal development. Another item is payment for Government stores which cannot be obtained in India. This head is destined gradually to disappear as the industrial development of the country progresses and strenuous efforts have for some time been made to reduce it. Next come the payments made to England for the leave allowances of Government servants, and for their pensions after they have retired. Formerly there was a fourth item in the payment made by India to England, representing the cost of maintenance of the India Office. But as a result of the changed relations between the two countries, consequent on the declaration of August 20, 1917, a portion of the expense of the India Office is now borne by the British Exchequer. In substitution for this comes the cost of maintaining the High Commissioner for India, who now discharges functions in England similar to those of the High Commissioners representing the Self Governing Dominions.

External Aspects.

We may now turn to the internal aspect of India's finances. In the first place it is to be noticed that a large proportion of the resources of Government is derived from such items as land revenue, customs, opium, railways, forests

Internal Aspects.

and irrigation. Taxation in the ordinary sense of the word bulks far less largely in her budget than in the finances of other countries. Since India is still in the main agricultural, her revenue is predominantly influenced by the character of the season—a fact which accounts for many of the difficulties, financial and otherwise, through which she has passed in recent years. In the second place we may briefly note the system of financial organization. As in the case of general administration, so also in the case of the economic structure, centralisation was for long the watch-word. All revenues went into the coffers of the Government of India, whose orders were necessary for any expenditure of a serious kind. Out of this system was evolved in course of time the plan of "divided heads." The budget of the Government of India still included the transactions of the local Governments, but the revenues enjoyed by the latter were mainly derived from sources of income which they shared with the Central Government. With the introduction of the Montagu-Chelmsford Reforms, this state of affairs passed away. A complete separation was introduced between the finances of the Central Government and those of the Provincial Administrations. No head of revenue was henceforth to be divided; land revenue, irrigation, excise and judicial stamps were to be provincialised; while income tax and general stamps were to become central heads of revenue. Inasmuch as under this arrangement the Government of India's resources would be substantially curtailed, it was proposed that the deficit should be made good by contribution from the Provinces. In January 1920 a committee appointed to investigate the future financial relations between the local and central authorities proposed that in 1921-22 the Provincial Governments should contribute Rs. 983 lakhs (£6,500,000) to the Government of India. The recommendations of the committee were revised and to some extent altered by the Joint Select Committee of Both Houses of Parliament; it being finally settled that from the year 1921-22 a total contribution of Rs. 983 lakhs, or such smaller sum as may be determined by the Governor-General-in-Council, shall be paid by the local Governments. Provision was made for reduction when the Governor-General-in-Council fixed as the total amount of the contribution a sum smaller than that payable in the preceding year. Unfortunately, since this separation between central and provincial finances, both central and local administrations have undergone a period of financial distress. Expenditure has necessarily been on the up grade, partly

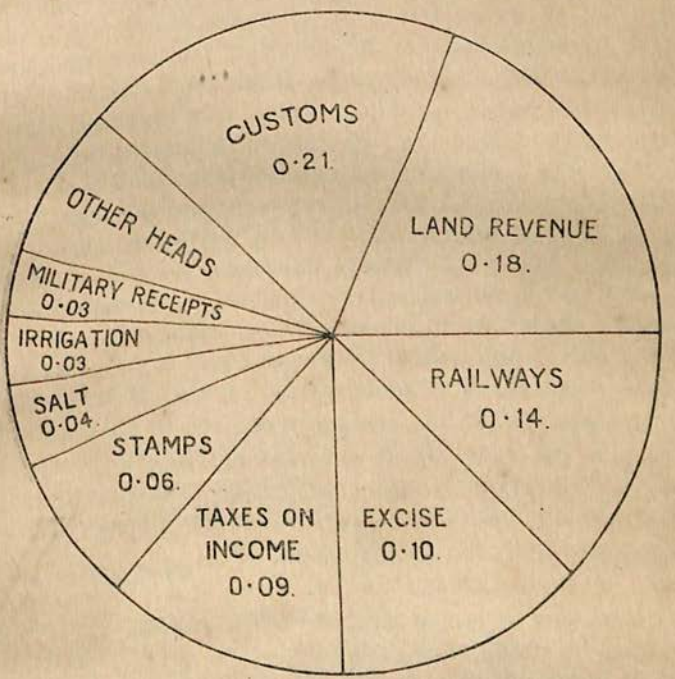
Centralisation and Devolution.

Provincial Contributions.

DIAGRAM 3.

How each Rupee of Revenue was made up in India 1922-23.

(Provincial and Central Together).



The Rupee of Revenue 1922-23.

[The basis of reckoning is the same as that on which the accounts and estimates are prepared; working expenses of the Railway, Irrigation, Posts and Telegraphs Departments, refunds and the like being deducted from revenue and not treated as expenditure.]

owing to rising prices, and partly owing to the increased cost which naturally attends the popularisation of a bureaucratic Government. The hope that the resources of the Provinces, increased as a result of the new financial settlement, would assist them in finding money for large schemes of economic and social development, has not been realised up to the time of writing. This handicap has seriously threatened the success of the Reforms; since the ministers in charge of "nation-building" subjects have not been able to effect those changes in the departments under their control which public opinion eagerly and insistently demands. Somewhat naturally, there has grown up in all provinces a strong feeling against the system of contributions to the Central Government. Certain provincial administrations, indeed, protested emphatically that they were utterly unable to balance their budget under the protected arrangement; and it was actually found necessary in 1921 to remit the Bengal contribution for a period of three years. The case of Bengal was somewhat exceptional, for it had been recommended to the special consideration of the Government of India by the Select Committee. But the concession naturally led to similar demands from the other provinces. Since however the finances of the Central Government were such as to make a reduction of Provincial subventions utterly unthinkable, it was found impossible to give further relief. In 1922-23 the position of the provincial Governments was serious. Only two out of the nine were working to a surplus; and the aggregate deficit of the remainder amounted to a difference of 352 lakhs (£2⅓ millions) between current revenue and expenditure. The Government of India made it clear that unless a marked revival in trade should occur, no reduction of the provincial contributions would be possible in the immediate future. The feeling that the provincial Governments could expect no help from the Government of India went far to stimulate their efforts to achieve financial stability; and during 1922-23 most of them proceeded to examine all possible avenues of retrenchment and at the same time sought the sanction of their Legislative Councils for new taxation. As a result of their efforts, the financial position of the provinces in 1923-24 has become far more satisfactory. The era of unbalanced budgets has almost everywhere disappeared, save in the Punjab, where the financial position has of late been deteriorating. The gap separating revenue and expenditure in the majority of provincial budgets is now very small; and as the processes of retrenchment of expenditure and enhancement of revenue are being pursued side by side, it will, we may confidently

Provincial Difficulties.

hope, in no short space of time disappear entirely. But the Government of India fully realise the serious burden which is placed upon the provincial Governments by the system of contributions to the Central Exchequer. They have placed in the very forefront of their financial policy the necessity of leaving the provinces free to undertake those large projects of social and industrial development upon which the success of the Reform scheme so largely depends. In November 1923 there was held for the second time a conference between the financial authorities of the provincial and the Central Governments. Among the most important of the resolutions unanimously accepted was that calling for the appointment of an expert committee on taxation; which should examine the manner in which the burden was at present distributed between different classes of the population; should consider the whole scheme of taxation—central, provincial and local—with a view to its improvement; should report on the suitability of new sources of taxation; should advise on the machinery required for the collection of taxes; and should in general survey the whole field of State impositions upon the subject, with the exception, to some extent, of land revenue. Among other important topics discussed at the Conference, mention may be made of the improvement of arrangements for provincial borrowing, and the establishment of a Provincial Loans' Fund; the adoption of general principles in regard to excise, so as to avoid conflicts of provincial interests; the methods of determining the share of the provincial Governments in revenue from unified stamps; and the assignments to be made to them in respect to recent increases in stamp-duty.

Central Policy regarding the Provinces.

Proposed Taxation Committee.

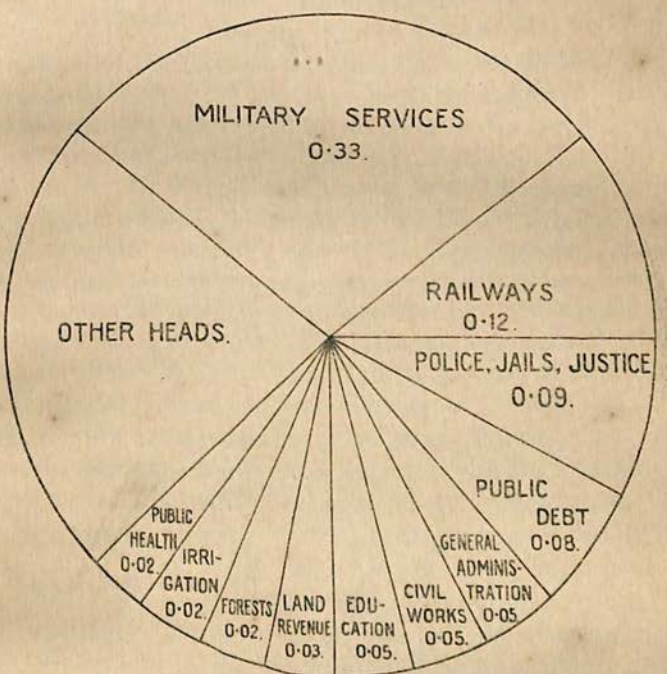
We must now briefly examine the financial position of the Central Government. Until five years ago, the accounts of the Government of India had for the previous quarter of a century consistently revealed great financial strength. With the exception of one or two abnormal years, there were generally surpluses on the revenue side, which led to the division of large sums among the provinces for expenditure on education, sanitation and other agencies. Substantial amounts were moreover set aside from the revenues for productive purposes, and State borrowings were kept at a low figure. But in 1918-19 an unfortunate change came over the situation. There was a deficit of Rs. 6 crores (£4,000,000). This was left uncovered. Next year, mainly owing

Finances of the Central Government.

DIAGRAM 4.

How each Rupee of Expenditure was made up in India 1922-23.

(Provincial and Central Together).



The Rupee of Expenditure 1922-23.

[For the basis of reckoning *vide* footnote to Diagram No. 3.]

to the unforeseen expenditure caused by the Afghan War, the deficit amounted to Rs. 24 crores (£16,000,000). The final accounts for 1920-21, swollen by the adjustments of various items, revealed a deficit of Rs. 26 crores (£17⅓ millions). When the budget of 1921-22 was presented to the new Central Legislature, it was found that there was an anticipated deficit of more than Rs. 18 crores (£12,000,000). The proposals of Government for new taxation were accepted with few modifications by the Assembly. The changes were mostly under customs; and it was hoped that the year's revenue would thereby be assisted to a small surplus. Unfortunately the succeeding twelve months proved a period of most disastrous trade depression, which in combination with other adverse forces reduced the estimated revenue by Rs. 20 crores (£13⅓ millions). The effects of the reduction were aggravated by an increase of expenditure; with the consequence that the revised estimates disclosed a deficit of Rs. 33 crores (£22,000,000). In these circumstances, Government decided to budget for a deficit in 1922-23, proposing to find Rs. 29 crores (£19⅓ millions), and to leave the remainder uncovered. The Legislative Assembly became seriously perturbed and emphatically demanded thorough-going retrenchment. It insisted upon a general five per cent cut in the expenditure of all civil departments. On the taxation side it rejected a proposed increase in the duty on imported piecegoods, and in the cotton excise. It also refused a proposed increase of the salt tax from Re. 1-4 to Rs. 2-8 per maund of 82 lbs. The effect of these changes was to increase the estimated deficit from Rs. 3 crores to Rs. 9 crores.

Five Disastrous years.

The Government of India embarked with vigour upon the process of retrenchment. During 1922 every Department radically overhauled its commitments with the idea of curtailing unnecessary expenditure. More important still, a strong committee presided over by Lord Inchcape devoted more than two months in the winter of 1922-23 to a minute and searching scrutiny of the expenditure of every department of Government. They recommended retrenchment to the extent of Rs. 19¼ crores (£12¾ millions) in the expenditure of the Government of India. The largest item of economy proposed was on the military side, where the reduction amounted to nearly Rs. 10½ crores, (£7,000,000). In railways, economies amounting to Rs. 4½ crores (£3,000,000) were suggested. In posts and telegraphs, there was suggested a reduction of Rs. 1·3 crores (£866,000), exclusive of a reduction of Rs. 50 lakhs (£333,000) in the capital expenditure of the Telegraph Department. Under the

Retrenchment.

head of general administration, the Committee proposed a reduction of Rs. 50 lakhs (£333,000) towards which every department of the Government of India found itself obliged to contribute by drastic economies.

It was of course impossible, as the Retrenchment Committee themselves clearly realised, that the full value of the proposed reductions could be obtained in the first year of their operation. None-the-less, by strenuous efforts, Government succeeded in including the major portion of the proposals in their 1923-24 budget. In the non-military portion of expenditure, an immediate reduction of Rs. 6·6 crores (£4$\frac{2}{5}$ millions) was made as against the Inchcape Committee's ultimate suggestion of Rs. 8 crores (£5$\frac{1}{3}$ millions). In the case of military expenditure, the total for which the Assembly was asked to provide funds in 1923-24 was Rs. 62 crores (£41$\frac{1}{3}$ millions), which represented economies to the amount of Rs. 5·75 crores (£3$\frac{4}{5}$ millions). The total effect of these and certain other reductions may be summarised in the statement that as compared with the original budget estimates of expenditure for 1922-23 of Rs. 215·27 crores (£143$\frac{1}{2}$ millions), inclusive of the working expenditures of the commercial departments, the total expenditure of the Government of India in 1923-24, taking sterling expenditure at the rate of exchange of 1*s.* 4*d.* per rupee, was now estimated at Rs. 204·37 crores (£136$\frac{1}{4}$ millions), in spite of an increase of Rs. 1·75 crores (£1$\frac{1}{8}$ million) for interest. Unfortunately even reductions so large were not estimated as sufficient to balance the revenue and expenditure during 1923-24. As against an estimated expenditure of Rs. 204·37 crores (£136$\frac{1}{4}$ millions), there was an expected revenue of Rs. 195·2 crores (£132$\frac{1}{3}$ millions). As we mentioned in last year's Statement, the Assembly, despite the cogent arguments adduced by the Finance Member, was deterred through considerations not primarily economic, from consenting to the enhancement of the Salt Tax which would have bridged the gulf between revenue and expenditure. Since Government considered that the possibilities of retrenchment had been taken fully into consideration, and that the balancing of India's budget could not be further delayed without damage to her credit, the Viceroy certified the enhancement of the Salt Tax until March 31, 1924. With the political effect of this action, we are not at the moment concerned; it suffices in this place to notice that after five years of deficit the Government of India had at last achieved a balanced budget. The financial effect of their success was apparent in the course of the succeeding twelve

Effects in 1923-24.

The Budget Balanced.

months. There was no longer any fear of their being forced to undesirable expedients, such as currency inflation, in order to meet their outgoings. The improved position was happily reflected in the enhanced market price of rupee securities. On the 15th February 1923, the five per cent tax-free loan 1945-55 was quoted at Rs. 88·10. A year later it was quoted at Rs. 98. During this same period, the quotation for the five per cent loan 1929-47 rose from Rs. 82·10 to Rs. 93·2. Further, the quotation for 3½% rupee paper rose from its lowest point of Rs. 52 to a maximum figure of Rs. 66-10 ; while in 1923, as will be made plain in a subsequent paragraph, the Government of India were able for the first time since 1919 to raise money by a long term issue.

Financial Results.

We may now briefly recount the financial history of the year 1923-24. Trade showed a steady revival. During the first ten months of the financial year, the surplus in value of exports in merchandise amounted to Rs. 103·47 crores as against Rs. 62¾ crores in the corresponding period of the previous year. After allowing for imports of bullion, there remained a net balance of Rs. 63·42 crores in favour of India, as against Rs. 20½ crores a year ago. The volume of India's export trade continued to expand. The chief increase was under the head of grain and pulse, where in the first nine months of 1923-24 it amounted to 600,000 tons. But with scarcely any exception, every class of goods showed some increase. In imports also there was a serious decline only in a few cases. The imports of coal fell by exactly a third, or by 284,000 tons in the first nine months of the current year, when compared with the corresponding period of 1922-23. Gray twist and yarn and gray piece goods also declined, but the quantity of practically every other class of imports increased. Prices of Indian products on the whole remained remarkably steady throughout the year, with the exception of raw cotton, which had been subject to considerable fluctuations on account of the uncertainty, and eventual shortage, of the American supply. Food grains, on the other hand fell steadily after April 1923 ; and the wholesale price of cereals in Calcutta in December of that year was only 5% above the level of July 1914 Sugar showed a tendency to advance, while tea obtained record prices. In general, it may be said that the close of 1923 was characterised by somewhat firmer prices for Indian raw material in the chief markets of the world ; and there was a greater sense of security among producers and merchants than could be claimed for the end of the year 1922.

History of 1923-24.

The effect of these conditions upon the budget of the Government of India was elucidated in the speech delivered by the Finance Member, Sir Basil Blackett, on February 29th, 1924.

Effects upon the Revenue of 1923-24.

The slow recovery of trade and the fall in prices of imported articles, led once more to disappointment in customs receipts. As compared with the budget estimate of Rs. 45·1 crores, the actual figures for customs receipts up to the end of January pointed to a net revenue for the year of Rs. 40·42 crores. Sugar provided Rs. 115 lakhs less revenue than had been anticipated; and while the volume of imports of other articles was in most cases not unsatisfactory, the amount collected on account of *ad valorem* duty declined. But one important item in the failure of customs revenue to fulfil anticipations was due to a recent decision of the Bombay High Court that stores imported by railway companies working state lines come under the definition of "Government stores" and ought thus to be passed free of duty. Against this judgment an appeal has been referred to the Privy Council. If the appeal succeeds, the Government of India expect to recover Rs. 50 lakhs from the company-managed railways, which will go to the revenue side of the Budget of 1923-24. If the appeal fails, the Government of India will have to pay to the railway companies a further sum estimated at about Rs. 2 crores by way of refund of duty collected from them after the definition of Government stores, which had hitherto been accepted, was brought into question before the Courts.

Customs.

In railways, on the other hand, there was an improvement anticipated to amount to Rs. 58 lakhs on the net receipts. During the earlier part of the financial year, the published figures of weekly earnings were unsatisfactory, being also considerably affected during the monsoon and again in December by breaches in important lines due to flood and storm. Since the middle of December, however, there was a certain improvement in gross receipts, which brought the estimate for the whole year to the figure of Rs. 94·22 crores. This was Rs. 1⅓ crores less than the budget estimate; but the deficit was overborne by a total saving in working expenses amounting to Rs. 1·93 crores. Under the heads of interest, currency and miscellaneous the year 1923-24 showed an improvement of Rs. 1·42 lakhs over the budget estimate. This was largely due to the higher price for short money in London; as well as to the fact that favourable opportunities for remittance enabled the Government of India to build up large reserves in sterling. In salt,

Railways.

Interest, etc.

the results of the enhanced taxation proved disappointing. The budget provided for a total salt revenue of Rs.11¾ crores, in which were included the additional Rs. 4½ crores, anticipated from the doubling of the duty. But during January and February 1923 very large issues of salt had been called for in anticipation of the enhancement; while the hopes of profiting by a reduction of the duty in 1924-25 led the dealers, especially in northern India, to reduce their stocks as far as possible. An examination of past statistics show that the issue against consumption in a normal year would at the present time amount approximately to 495 lakhs of maunds. But the actual issues for 1923-24 were expected to amount only to about 380 lakhs of maunds. It is interesting to notice that Government have been unable to find any evidence that the restricted issues have been accompanied by any reduction in actual consumption. But the financial upshot was that the total revenue from salt in 1923-24 was estimated at Rs. 8¾ crores, which was Rs. 3 crores less than the estimate. Thus on the revenue side, as against the budget estimate of Rs. 134·9 crores it was anticipated that the figures at the end of the year would amount to Rs. 129·52 crores.

Salt.

Fortunately, on the expenditure side the year showed considerable saving. The only important excess of expenditure over the estimate occurred under the head of opium; for which a supplementary grant of Rs. 77 lakhs was voted by the Assembly in the July session to meet payments which arose from an increased out-turn of the last crop. The budget provision for discount on Treasury bills proved to include a substantial saving. On 31st March 1922 the Treasury bills outstanding with the public had reached the formidable total of Rs. 54 crores. On the 31st March 1923 this figure had been reduced to Rs. 22 crores; while on the 31st March 1924 it is hoped that it will amount to only Rs. 2 crores. Further, the favourable rate at which the new rupee loan was issued also resulted in a saving on the budget provision for charges connected with the loans in the current year; but there was a small excess in the provision for sterling loans on account of the Government of India having raised £18,000,000 in London instead of £15,000,000 tentatively entered in the budget statement. On the whole, Government expected a saving of Rs. 74 lakhs in the gross interest charges on debt. Under the head of sinking funds, there was a net saving of Rs. 80 lakhs, since the improved state of Government securities made it unnecessary to utilise any portion of the special pro-

Expenditure 1923-24.

Savings.

vision made during the last two years for supporting the two long term five per cent rupee loans. As against budget estimates of military expenditure amounting to Rs. 65·05 crores gross and Rs. 62 crores net, considerable reductions had been made. Full effect had been given to the reduction of British troops proposed by the Retrenchment Committee except in the case of one cavalry regiment; and while the resulting economies would not fully accrue until 1924-25, the Commander-in-Chief had found it possible to reduce the established charges of the military services in 1923-24 to Rs. 60¼ crores as against the figure of Rs. 61·94 crores, included in the original estimate. There was a gain of three quarters of a crore over the estimated credit for the consumption or disposal of surplus stores. On the other hand, the estimate of special expenditure in Waziristan was about Rs. 2 crores as against the figure of Rs. 1·69 crores included in the budget; while gratuities and payments to demobilised officers were found to cost Rs. 1½ crores as against the Rs. 62 lakhs provided. All these figures included sterling expenditure converted into rupees at 16 pence; and on this basis the revised military estimate stood at Rs. 60·20 crores net. From this total, a sum of Rs. 46 lakhs could be deducted from savings under the head of exchange, making the net figure Rs. 59·74 crores. Under other heads of civil expenditure there was a saving of half a crore; but the largest saving on the expenditure side occurred under exchange. For budget purposes during 1923-24 the figure assumed was 1*s.* 4*d.*; but the average rate for the financial year was expected to work out at approximately 1*s.* 4½*d.* The resulting saving outside India amounted to Rs. 128 lakhs. In addition there was a saving of approximately 50 lakhs in respect to capital expenditure. Hence, as against an estimated expenditure of Rs. 134·09 crores, the figures for the year seem to indicate a revised total of Rs. 129·90 crores. Thus, at the time of the presentation of the budget of 1924-25, there was reason to believe that the year 1923-24 would close with a small deficit of Rs. 38 lakhs. But the figures of revenue and expenditure were so nearly balanced that it would not be surprising to find that the year 1923-24 would actually display a small surplus. Whether this should prove to be the case or not, the position was placed beyond doubt by a valuable windfall. A sum approximating to something like £3¼ millions representing profits from the control of enemy ships, had been credited to the Indian revenues. Out of this sum, the Government of India proposed to reserve Rs. 25 lakhs for the

Military Economies.

Exchange.

A Windfall.

payment of grants to private individuals in consideration of losses suffered through enemy action. The balance gave indications of a surplus of over Rs. 4 crores in the budget of 1923-24. Of this surplus, Rs. 2 crores has been reserved for the payments which will become necessary if the appeal to the Privy Council in the matter of railway stores should fail. The remainder of the surplus is being applied automatically to the reduction or avoidance of new borrowings for capital expenditure.

In forecasting the expenditure for 1924-25 Sir Basil Blackett estimated military expenditure at Rs. 63 crores gross, and Rs. 60·25 crores net.

Budget for 1924-25.

On the basis of 1*s.* 4*d.* to the rupee, the net amount required would be Rs. 60·93 crores; but as after careful consideration the Government of India decided to frame their forecast on the basis of an average rate of exchange of 1*s.* 4¾*d.* they expect a saving on exchange of Rs. 68 lakhs. In order to assist comparison with the year 1923-24 the figures of military expenditure immediately following will be given on the basis of 1*s.* 4*d.* to the rupee. Established charges are estimated at Rs. 59 crores as compared with a revised estimate of Rs. 60¼ crores for 1923-24. The sum of Rs. 30 lakhs is required for roads and barracks in Waziristan and Rs. 163 lakhs for special terminal charges. Excluding a special sum of Rs. 25 lakhs, representing customs duty, which will come back as revenue, the established charges will amount to Rs. 58¾ crores as against the figure of Rs. 59·38 crores assumed by the Retrenchment Committee. On the civil side, effect has now been given to almost all the recommendations of the Retrenchment Committee, and expenditure generally has been kept low. On the assumption that a proposed separation of railway from general finances is approved by the Assembly, so that railway transactions will cease to be a direct charge on Central revenues, the total expenditure for 1924-25 is estimated to amount to Rs. 104·57 crores. In order to meet this expenditure, the estimated revenue was as follows. The Finance Member announced that he expected a net customs revenue of Rs. 45·02 crores. He proposed certain small changes in the tariff, the most important being a reduction of excise duty on motor spirit to 4½ annas per gallon; and the imposition of specific duties on empty match boxes and splints in order to protect the match revenue. Under the income tax he expected a total of Rs. 18·22 crores, a reduction of Rs. 85 lakhs on the net revenue expected under the current year. He anticipated no material variation in the estimates under other

Military Expenditure.

Revenue.

heads of revenue, except under currency; where the investments in British Treasury bills made out of the large sterling remittances effected in the current year are expected to yield about half a crore increase. On the assumption that the net receipts from railways were replaced by the fixed contribution of Rs. 4·27 crores on the basis of the separation between railway and general finance to which allusion has previously been made, the Finance Member arrived at a total revenue estimate of Rs. 107·93 crores. This gave on the basis of existing taxation a surplus of Rs. 3·36 crores during 1924-25.

The Surplus and its Disposal.

To this surplus, which, as Sir Basil Blackett emphasised, was a real surplus, there were two claimants; the reduction of provincial contributions, and the reduction of the salt tax. He proceeded to point out that if taxation were retained at the existing figure, and the surplus given away in whole or part to the provincial Governments, there would be the hope of another small surplus in 1925-26. But if the salt tax were reduced to Re. 1-4 per maund, there would be an initial deficiency of Rs. 2·16 crores to face in that year. Further, an immediate reduction of the salt tax would enable the dealers to succeed in their plan in retaining for themselves part of what they ought to have paid to Government. Finally, he said, the reduction of the salt tax to the previous figure would proclaim to the Provinces that neither in 1924-25 nor in 1925-26 could the Government of India offer them any certain prospects of relief. But, he announced, since the Government realised that the retention of the salt tax at the current figure was a matter commonly regarded from a wider standpoint than that of pure economics, they had decided not to ask the House to continue the duty at Rs. 2-8 a maund. Their definite recommendation was that out of the surplus of Rs. 3·36 crores a sum of Rs. 1·82 crores should be applied to reducing the salt tax from Rs. 2-8 per maund to Rs. 2 per maund; and that a sum of Rs. 1·50 crores should be applied to a reduction of provincial contributions. This would give immediate relief to four provinces reducing the contribution of Madras from Rs. 348 lakhs to Rs. 268 lakhs; that of the Punjab from Rs. 175 lakhs to Rs. 137 lakhs; that of the United Provinces from 240 lakhs to 210 lakhs; that of Burma from 64 lakhs to 62 lakhs.

Attitude of the Assembly.

As will be pointed out in greater detail in the fifth chapter of this Statement, the Assembly did not deal with the budget in the manner which was generally expected. They used the opportunity afforded by its presentation to

register a political protest; and refused to consider its detailed provisions upon their financial merits. On the first day of demands for grants, the Nationalist Party, which commanded a small but adequate majority in the House, threw out the first four items, including the two pivotal heads of Customs and Income Tax. They further refused to permit the introduction of the Finance Bill, again registering their protest on considerations of general policy rather than on any estimate of the merits of the measure before them. In consequence, Lord Reading found himself obliged to certify the Finance Bill in the minimum form which the responsibilities vested in him dictated. The Salt Tax was reduced to Re. 1-4 per maund; and with the exception of the imposition of duty on empty match boxes and splints, the other changes in the tariff which had been proposed in the draft Finance Bill were dropped. The result of the Assembly's action from the purely financial point of view was described by the Finance Member as a message of despair to all who are looking to expenditure, whether by the Central Government or by the provincial Governments, for the amelioration of conditions of life, and for improved educational and sanitary services throughout India.

The Debt Position.

Whatever may have been the political reasons which urged the Assembly thus to deal with the Budget, it is perhaps unfortunate that the favourable financial position which the Government of India has now attained, should not have received its meed of appreciation from the popular representatives. During the year 1923-24, the debt position has been overhauled, and systematic proposals have been formulated for its extinction. The total debt of India on March 31st, 1924, amounted to Rs. 905·65 crores. Of this, Rs. 578·39 crores are classed as productive debt, and Rs. 228·45 crores as unproductive debt. The balance of Rs. 98·81 crores represents debt incurred on behalf of provincial Governments. Of the unproductive debt, approximately Rs. 98 crores represent the accumulated deficits for the five years ending March 31st, 1923. The building of New Delhi accounts for Rs. 9·85 crores. The remainder, which is Rs. 120·60 crores, may be said to be India's true War Debt. The Finance Member suggested in his Budget speech, that it is reasonable to fix different period for the redemption of different classes of debt. For productive debt, 80 years, in his opinion, is not too long; for unproductive debt, a period of more than 50 years is scarcely defensible. Taking the periods named, and applying them to India's different classes of debt, and assuming further that the sums provided year by year are set aside to accumulate at 5 per cent compound interest, it is found that the figure of

Rs. 3·66 crores is the amount which must be provided annually, beginning with the year 1924-25, to redeem the whole debt within the assigned terms of years. But the operation of this process during the next five years can be achieved more simply by an annual provision of Rs. 4·04 crores. It would, the Finance Member suggested, be desirable to arrive in the near future at a definite—perhaps statutory—programme for dealing with the redemption of the debt.

Loans.

Mention was made in last year's Statement of the success of the 1922 rupee loan, which consisted of two series, five year 6 per cent bonds, 1927, free of income tax; and ten year 6 per cent bonds, 1932, also free of income tax. The total amount realised was nearly Rs. 47 crores. Both in June 1922, and October 1922, loans were floated in London. In the first month, a loan for the nominal amount of £12½ millions sterling, bearing 5½% interest, and repayable at par in January 1932 was issued at 96, the amount being quickly subscribed. In October 1922, a long term loan to the nominal amount of £20 millions, bearing interest at 4½% was issued at 85. The terms of the loan provided that if not previously redeemed, the stock will be repaid at par in May 1955; but the Secretary of State for India reserved to himself the right of giving three calendar months notice to redeem the loan at par on any half-yearly interest date after May 1950. During the year 1923 the improved position of the Government of India's finances was reflected in the more favourable terms at which borrowing was undertaken. In India a rupee loan for 24 crores was raised first in the form of ten year 5% bonds 1933; and secondly of a five per cent loan 1945-55, both free of income tax. This was the first time since 1920 that money had been raised in India by a long term issue. In London also a sterling loan for £20 millions, bearing interest at 4½% was raised, the issuing price being on this occasion 90. The terms of repayment were similar to those of the previous year.

The Banking System.

In previous Statements mention has been made of the desirability, from the point of view of the development of Indian trade, of extending the banking facilities with which the country is at present so meagrely provided. Of late years, there have been steady improvements in the desired direction. The pre-war year 1913 showed 12 exchange banks doing business in India. In 1922, the number had risen to 18. Before the War, the aggregate capital and reserves amounted to £37 millions; while in 1922 the figure stood at over £112 millions. Indian joint stock banks, with a paid up capital and reserve of rupees five lakhs and over have increased

from 18 in 1913 to 27 in 1921 ; while the smaller banks with a paid up capital and reserves of between one lakh and five lakhs have increased from 23 in 1913 to 41 at the present time. The three Presidency banks which had for long played an honourable part in the financial history of India, have since January 1921 been amalgamated into the Imperial Bank of India. Under the Imperial Bank of India Act, the nominal capital of the bank was trebled, the total capital of the three Presidency banks being Rs. 3$\frac{3}{4}$ crores, and the authorised capital of the Imperial Bank of India being Rs. 11$\frac{1}{2}$ crores. The general superintendence of the affairs and business of the bank is vested in a Central Board of Governors, while local affairs are controlled by Local Boards at Calcutta, Bombay and Madras. The presidents, vice-presidents and secretaries of these Local Boards are on the Central Board, upon which the Governor General in Council is empowered to nominate four non-officials. The Board is completed by two Managing Governors, and the Controller of the Currency, and such other officer of Government as may be nominated by the Governor General. By agreement, the general banking business of Government is conducted by the bank, which holds Treasury balances, wherever it has branches. The bank has further undertaken to open one hundred new branches within five years, the location of one in every four being at the absolute discretion of Government. There are also certain powers vested in the Governor General in Council to issue instructions to the bank in respect of any matter which in his opinion is likely to affect his financial policy, or the safety of the Government balances. Perhaps the greatest innovation is the constitution of a London Office ; and with effect from the 28th January 1924, this office has been entrusted with the management of the Government of India rupee securities in London. Up to that time, the Bank of England had been in charge of this work, and had charged £400 per crore of rupees, subject to a minimum of £8,000 per annum. The Imperial Bank, on the other hand, charges £300 per crore of rupees, subject to a minimum of £5,000 per annum, with the additional proviso that in the event of the debt on which the charge is assessed falling in any year below 8 crores of rupees the minimum charge shall be reduced to £4,000 per annum. A further exemplification of the tendency on the part of India to manage the details of her own financial system, is provided by the arrangements now in hand for the printing of stamps in the country, instead of purchasing them on payment from England. An investigation has lately been conducted into the possibility of security

The Imperial Bank.

printing in India, as a result of which currency notes will eventually be manufactured locally.

India and Investment.

That the number of banks at present existing in India is inadequate for her needs, is clear from the fact that there are at present only some hundred head offices with between 300 and 400 branch banks throughout the whole country. Roughly 75% of the total towns in India with a population of 10,000 and over have no banks; while in some 20% of the 75 towns which possess a population of more than 50,000 inhabitants the same condition prevails. Probably this situation is to be ascribed to the fact that the habit of investment is comparatively undeveloped in India, its place being taken by hoarding, and by the conversion of bullion into jewelry. If only investment could become a general practice, the capital thus released would probably lead to the commencement of an era of unprecedented prosperity. The Administration is fully alive to the necessity of increasing banking facilities throughout the country at large and, as we have noticed, the Imperial Bank scheme includes the project of the opening of a hundred new branches within five years. One very hopeful line of progress is represented by the increased popularity of Post Office Cash Certificates. Originally issued in 1917, these certificates were taken by the small investor, thanks to a vigorous campaign for saving, to total of Rs. 8 crores net during the period ending March 31, 1919. From that time onwards repayments considerably exceeded new purchases year by year; and on the 31st March 1923, the total outstandings had been reduced to Rs. 3 crores. But the year 1923-24 witnessed a very promising development. From the 1st April 1923, the terms on which Post Office Certificates were issued were improved to offer a net yield of 6% compound interest to those who hold them till maturity. Strenuous efforts were also made to popularise them, with the result that during the 10 months ending 31st January 1924, a total of Rs. 6 crores gross and Rs. 4½ crores net (after allowing for repayment) was invested. It should be possible by the development of this system to finance a considerable portion of provincial capital expenditure; and the stimulus both to thrift and industry resulting therefrom might well change the whole economic position of India in the course of a few decades.

Post Office Cash Certificates.

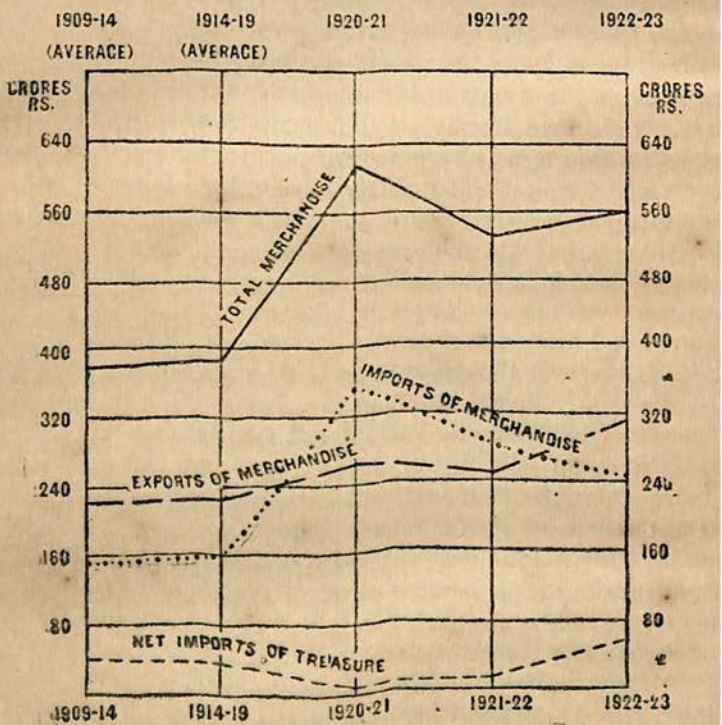
In sketching the financial situation of India, we have already described in summary form the general economic characteristics of the year 1922-23. For the sake of completeness we may now proceed briefly to analyse the trade re-

Trade in 1922-23.

DIAGRAM 5.

The Foreign Sea-borne Trade of British India.

(PRIVATE AND GOVERNMENT.)



turns both of the financial year and of the remaining period with which this Statement is concerned. In general, it is to be noticed that during 1922-23 stagnation, following readjustment after the post-war boom, still remained the keynote of the import trade. On the export side, Indian conditions favoured a strong revival. The rains were ample and well distributed, good harvests being reaped in practically all parts of the country. The price of staple food-grains fell considerably, and the exportable surplus became appreciable. But the prospects of marked improvement in Indian trade are bound up with the improvement of purchasing power in Europe; and during the period now in review, her overseas customers were only in a position to provide a moderate response. There were however distinct signs of advance over the preceding year; most European countries showing steady progress in practically all branches of commercial and industrial activity. But in the first quarter of 1923 the occupation of the Ruhr introduced a factor of uncertainty and difficulty, which very soon led to marked stagnation and arrested the general improvement in trade. India's three best individual customers are the United Kingdom, Japan, and the United States of America. Hence from the exchange point of view, she is particularly interested in the movements of the level of wholesale prices in these countries. Those levels remained remarkably constant during the major portion of 1922-23. An interesting feature of India's trade at this period is the fact that the decrease in the recorded value of imports was primarily due to lower prices; while the improvement in the value of exports was a a genuine increase, since the level of export prices remained steady. On the import side, cotton piece goods were an important exception to the general downward trend. The quantity imported increased by 500 million yards to 1,600 million yards; and the value by Rs. 15 crores to Rs. 58 crores. But after deducting this item, the total imports declined in value by 22% from Rs. 223 crores to Rs. 174 crores. Imports of wheat and of sugar were considerably reduced; and the value of imported machinery and mill work, railway plant and rolling stock, owing largely to lower prices, also decreased. On the export side, raw jute increased owing to the increased demand from all the principal importing countries. The total value of raw jute and jute manufactures amounted to Rs. 63 crores as compared with Rs. 44 crores in the preceding year. As a result of the removal of the embargo on exports, shipments of rice increased by 700,000 tons in quantity and Rs. 10 crores in value, to over 2,000,000 tons in quantity, and Rs. 35 crores in value. Exports of

General Survey.

wheat increased in quantity by 140,000 tons, and amounted to 220,000 tons valued at Rs. 3½ crores. Raw cotton exports increased in value by Rs. 17 crores. The tea trade continued to flourish, and despite a marked diminution in the volume of exports, their value increased by nearly Rs. 4 crores. The demand for oil-seeds improved strikingly and the total value of the exports rose by Rs. 10 crores to Rs. 27 crores.

We may now proceed to examine in some greater detail the features of the import and export trade of India during 1922-23. Taking first the import trade, we may notice that cotton manufactures are still the most prominent of individual items ; the total imports under this head increasing in value in 1922-23 to Rs. 70 crores, as compared with Rs. 57 crores in 1921-22, and Rs. 66 crores in the pre-war year 1913-14. The total quantity of cotton piece goods imported into the country increased by 46 % to 1,600 million yards, the largest increase being in grey goods. Compared with 1921-22, the United Kingdom increased her percentage share of grey goods from 82·8 to 89·5, and of white goods from 97·8 to 98·2. But she lost in coloured goods to Japan, who increased her percentage share under this head from 3·6 in 1921-22 to 6·3 in 1922-23. The United Kingdom still enjoys an immense priority over all other competitors in her percentage share of the total quantity of piece goods imported into India. This percentage amounted to 91·2 in 1922-23, as against 87·6 in 1921-22. All other countries lost some ground. The share of Japan declined from 8·3 in 1921-22 to 6·8 in 1922-23 ; that of the United States from 2·1 to 0·5, and that of the Netherlands from 1·1 to 0·8.

India's Imports.

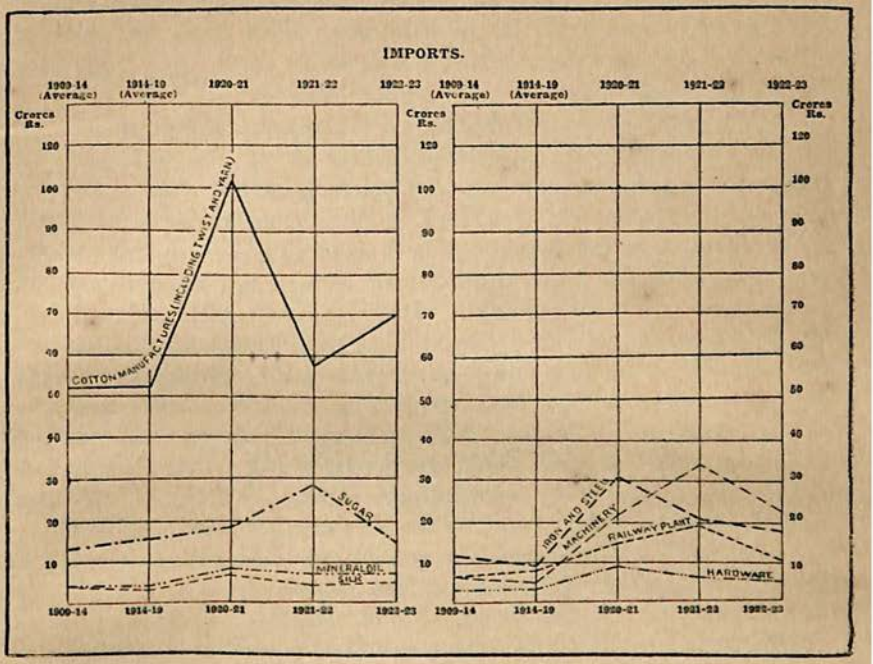
1. Cotton manufactures.

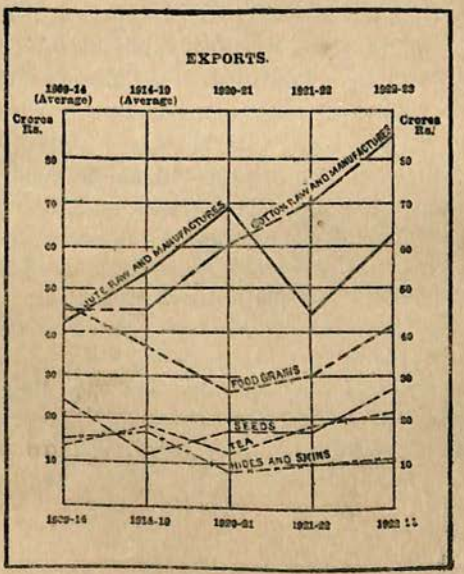
As in the previous year, the head machinery and mill work ranked next in importance to that of cotton manufactures. The total value of the imports of machinery of all kinds decreased from Rs. 35 crores in 1921-22 to Rs. 24 crores, a fact largely ascribable to lower manufacturing costs. The heaviest decreases were shown in jute mill machinery and boilers. The value of cotton machinery imported showed an increase under the head of cotton spinning machinery. The value of electrical machinery also fell. Under this head again, the United Kingdom enjoys a considerable priority, her share being 84·6 per cent. Her nearest competitor is the United States ; whose share during the year under review declined from 13·2% to 9·6%.

2. Machinery and Mill Work.

DIAGRAM 6.

Variations in the values of principal articles in the Import and Export Trade of British India during the last three years as compared with averages of the pre-war and war periods.





The third place in order of priority among imports was represented by iron and steel, which amounted to Rs. 18 crores. During 1922, as in 1921, the world's production was abnormally low. The year 1922 showed some improvement; but in January the occupation of the Ruhr entirely changed the situation. All production of coal, coke, iron and steel, in the occupied area was quickly dislocated; and the curtailment of supplies disorganised the industry both in France and in Luxemburg. Continental supplies to India, which had been considerable, ceased entirely for many months; and prices, which had been on the downward grade to December 1922, rose appreciably. Throughout the year, America was fully occupied with a big home demand, and was also handicapped by industrial unrest. Her share in the trade with India declined from 13·7% in 1921-22 to 5·1% in 1922-23. The United Kingdom, on the contrary increased her share from 45·7% in 1921-22 to 48·1% in the year under review. The total imports under iron and steel increased in quantity from 613,000 tons to 746,000 tons.

3. Iron and Steel.

The fourth place in India's import trade was taken by sugar; which in 1921-22 had ranked third. Trade was depressed, owing to excessive stocks held at the end of 1921-22, and heavy losses due to the continuous fall in prices of Java sugar. The total quantity imported both refined and unrefined decreased by 38% to 442,000 tons, of which over 84% came from Java; and only 7% from Mauritius. Mauritius sugar, being manufactured within the British Empire, pays a lower rate of duty on entry into the United Kingdom; and in the future will probably be attracted more and more to the mother country if preference is maintained. Generally speaking, the higher prices which ruled in the preceding years have given an impetus to the Indian sugar industry; and in view of the reduced imports of foreign sugar, it is interesting to note that the net production of raw sugar in the country was 342,000 tons greater than in 1921-22.

4. Sugar.

The next important heading is represented by railway plant and rolling stock. As we have noticed in previous Statements, railway expenditure in India had been greatly restricted during the War; and during the quinquennium 1914-15 to 1918-19 it averaged only Rs. 473 lakhs as against the pre-war average of Rs. 891 lakhs. After the termination of the War, the value of imports under this head steadily increased from Rs. 905 lakhs in 1919-20 to Rs. 1,660 lakhs in 1920-21 and Rs. 2,186 lakhs in the following year. But in 1922-

5. Railway Plant and Rolling Stock.

23. partly owing to marked price reductions, the value fell to Rs. 1,376 lakhs. As compared with the preceding year, the value of carriages and wagons imported decreased by Rs. 434 lakhs to Rs. 645 lakhs; locomotive engines and tenders by Rs. 353 lakhs to Rs. 323 lakhs; rails, chairs and fishplate by Rs. 11 lakhs; while sleepers and keys of iron and steel showed an increase of Rs. 62 lakhs. The share of the United Kingdom declined to 94% as against 97% in 1921-22.

6. Mineral Oils.

The value of mineral oils imported into India declined slightly from Rs. 734 lakhs in 1921-22 to Rs. 680 lakhs in 1922-23; but the total quantities imported increased from 123 million gallons to 133 million gallons. The imports of kerosene amounted to 50 million gallons, as against 46·5 million gallons in 1921-22. This, however, is still smaller than the average annual import during the five pre-War years by the substantial figure of 16½ million gallons. Of the total quantity, 78% came from the United States, as against 86% in 1921-22. Coastwise imports from Burma to India proper amounted to 119 million gallons, as compared with 116 million gallons in 1921-22.

7. Hardware.

Under the head of hardware, the total value of which shows a small decrease from Rs. 592 lakhs in 1921-22 to Rs. 515 lakhs in 1922-23, the most notable feature was a large increase in the imports from Germany, which were valued at Rs. 112 lakhs, or 22% of the total, as compared with Rs. 61 lakhs or 10% in 1921-22. This increase was achieved at the expense of British and American products. Imports from the United Kingdom fell by 31% in value to Rs. 255 lakhs and from the United States of America by 25% to Rs. 77 lakhs. In general it may be noticed that the value of agricultural implements slightly decreased; while other implements and tools showed a small increase.

8. Silk.

During 1922-23 the silk trade made a slight recovery from the previous year's depression. Raw silk showed an increase of 14% in volume and 20% in value, China and Hongkong as usual maintaining the lead with 93% of the imports. Silk piece-goods, which are the most important item under this head, increased in quantity by 3%, while their value fell by 2% from Rs. 232 lakhs to Rs. 227 lakhs. To the total, Japan contribute Rs. 132 lakhs, China and Hongkong Rs. 87 lakhs, and the United Kingdom Rs. 4 lakhs.

Under liquors, the total imports increased in quantity from 4·5 million gallons to 4·6 million gallons; but the value decreased from

Rs. 377 lakhs to Rs. 343 lakhs. Over 36% of the total imports consisted of spirits, which increased in quantity, while ale, beer, porter and wines decreased. No less than 59% of the total quantity of imported liquor still consists of ale, beer and porter. The United Kingdom supplied 68%, as compared with 69% in 1921-22. Germany increased her supplies over the previous year by no less than 70%, her share rising from 393,000 gallons to 665,000 gallons, while the quantity despatched by Japan and Netherlands showed a decrease of 50%.

9. Liquors.

Of motor vehicles the importations rose from 2895 in 1921-22 to 4323 in 1922-23. The glut of old stocks mentioned in last year's Report ..., seems now to have been cleared; as is indicated by the fact that in the six months April to September 1923, more than 3,000 cars have been imported. The value of the imports decreased by 20% to Rs. 138 lakhs, as the result of large entries of cheaper American and Canadian cars. Of the total imports 1846 cars came from Canada; 1386 from the United States, 449 from the United Kingdom and the remainder from continental countries.

10. Motor Vehicles.

We may now turn to a brief survey of the export trade of India during 1922-23. During this year, cotton, raw and manufactured, displaced jute from the position of priority. Exports of raw cotton from India increased to 3,362,000 bales as compared with 2,989,000 in 1921-22. Of the total quantity exported, Japan took 1,621,000 bales, or 48%, amounting to nearly two-thirds of her total importation. The continent of Europe increased its purchases by 40% from 715,000 bales in 1921-22 to 1,004,000 bales in 1922-23. The demand for Indian stapled cotton from Europe improved during the year, as also did British spinners' takings of Indian cottons.

India's Exports.

1. Cotton.

The internal demand for cotton yarn continued strong, both production and imports showing increases over the previous year. Exports, however, decreased considerably. The total quantity of yarn spun in Indian mills increased to 706 million lbs. as compared with 693 millions in 1921-22, and 683 million lbs. in 1914. So far as cotton piece-goods are concerned, there has been a weakening of the movement favouring Indian made, rather than imported piece-goods, upon considerations other than that of value in money. Accordingly, as we noticed, there was an increase in importations, combined with some reductions in price. The Indian textile industry thus found itself compelled to accept a considerable lowering of its margin of profit,

though output remained at almost the same level as in the previous year. The quantity exported declined from 161 million yards in 1921-22 to 157 million yards in the course of the year under review. The value of goods woven in the Indian mills during the year was Rs. 59⅓ crores as against Rs. 60¾ crores in 1921-22, the value of cotton goods imported having increased during same period from Rs. 45½ crores to Rs. 61 crores.

2. Jute.

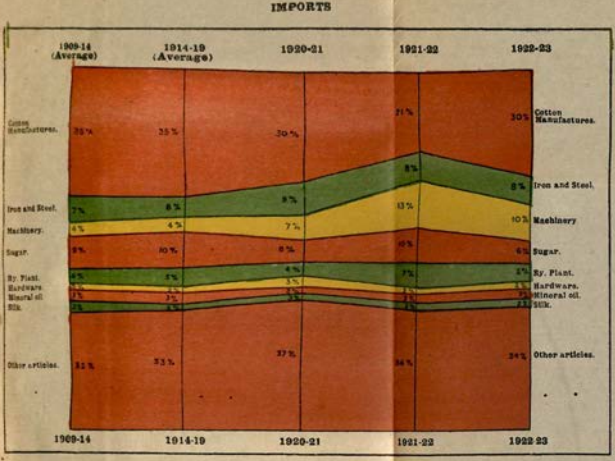
Under jute and jute manufactures the figures of 1922-23 showed a marked improvement upon those of 1921-22. The total weight of raw and manufactured jute shipped in the year under review increased from 1,108 to 1,250 thousand tons, while owing to improved prices the value of the exports increased from Rs. 44 crores to Rs. 63 crores. Exports of raw jute exceeded those of the previous year by 24 per cent., but were still 25 per cent. below the level of the pre-War period. The value rose by no less than 60 per cent. from Rs. 14 crores to Rs. 22½ crores. The United Kingdom took the largest quantity, 875,000 bales, which is still only about half the average demand before the War. The total exports of Jute cloth were 1,254 million yards, valued at Rs. 2,432 lakhs as compared with 1,120 million yards valued at Rs. 1,593 lakhs in 1921-22. The largest consumer was as usual the United States of America, which took 76 per cent. of the total quantity exported. Of gunny bags, the total exports amounted to 344 millions in number and Rs. 16 crores in value; which on the 1921-22 figures shows a decrease of 11 per cent. in quantity with an increase of 15 per cent. in value. The best markets for bags was Australia, which took 63 millions, as compared with 56 millions in the preceding year. Cuban demands came next with a marked increase of from 14 to 38 millions.

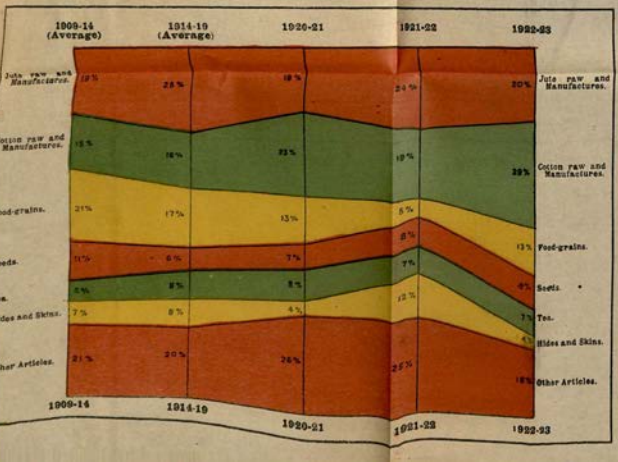
3. Food Grains and Flour.

Third in importance among the exports of India came food grains and flour, which amounted to Rs. 4,248 lakhs in value as against Rs. 2,999 lakhs in 1921-22. The total quantity exported amounted to 2·6 million tons, which represented an increase of 57 per cent. over last year's figure, due to the removal of the embargo on the export of rice. The value of exports under this head alone increased from Rs. 2,456 lakhs in 1921-22 to Rs. 3,470 lakhs in 1922-23. Ceylon was as usual the largest purchaser with 363,000 tons. Germany came next with 340,000 tons, which is nearly her pre-War average. The embargo on wheat exports was not removed until the end of September 1922. The Indian wheat crop for 1921-22

Diagram No. 7.

7 Variations in the shares of the principal articles in the Import and Export trade of British India during the last three years, as compared with averages of the pre-war and war periods.





was estimated at 9·8 million tons, as compared with 6·7 million tons in 1920-21. The outturn was large enough to meet all domestic requirements, and the surplus available for export was considerable when the embargo was removed. Out of 220,000 tons valued at Rs. 344 lakhs, no less than 99·4 per cent. was shipped after the removal of the embargo. Of the total quantity the United Kingdom took 87 per cent. Other food grains increased in the quantities exported to 203,000 tons from 102,000 tons in 1921-22. The United Kingdom took 40 per cent. of the pulse, 59 per cent. of the maize, 63 per cent. of the barley and 30 per cent. of the jowar and bajra.

4. Oil-Seeds.

The fourth place among India's exports during the year under review was taken by oil-seeds. Generally speaking the supplies were plentiful; and although the industrial activities of Europe had by no means recovered, the total demands on India improved considerably. Indeed the trade in oil-seeds took a large step towards expansion to the full pre-War demand. The total exports amounted to 1·18 million tons, valued at Rs. 2,735 lakhs. These figures represented an increase of 60 per cent. in quantity and 57 per cent. in value as compared with 1921-22. All the principal descriptions of seed were exported in larger quantities, there being marked increases in linseed, cotton seed and rape seed, while groundnuts, castor oil and copra also showed improvement.

5. Tea.

The improvement in the position of the tea trade noticed in last year's statement continued; the outstanding and most favourable feature of the year being the steady advance in the price of common teas. The quantity of tea was well above the average; and careful plucking, absence of stalk, and improved manufacture regained for northern Indian teas their high reputation for quality. The total production throughout India was estimated at 311 million lbs. in 1922 as compared with 274 million lbs. in 1921. Out of this total, no less than 288 million lbs. was exported; a figure which shows the extent to which Indian tea depends on the foreign market. It is difficult exactly to estimate the quantity of tea retained for consumption in the country; but a rough calculation would seem to indicate that 28 million lbs. were consumed in India in 1922-23, as compared with 31 million lbs. in 1921-22.

6. Hides and Skins.

The exports of raw hides and skins amounted to 45,700 tons, valued at Rs. 571 lakhs in 1922-23 as compared with 48,500 tons and Rs. 598 lakhs in 1921-22. Exports of raw hides to the United Kingdon showed a further fall, due to

competition both with Russian hides and hides from the River Plate. Germany was again India's best customer. The export of goat skins decreased to 20,600 tons valued Rs. 345 lakhs, from 21,700 tons valued at Rs. 410 lakhs in 1921-22. As usual, the United States took the lead, although her demands were less by 1,200 tons than in the preceding year. There was a welcome revival in the trade of tanned hides and skins; the total quantity exported increasing from 10,300 tons to 14,600 tons; and the value rising from Rs. 392 lakhs to Rs. 506 lakhs. The United Kingdom took the bulk of the exports.

Direction of Trade.

In examining the direction of trade it may be noticed that India's exports usually exceed her imports in the case of all countries with which she has large dealings, the only exception being the United Kingdom. During the year under review, the chief feature was an improvement in the share of the United Kingdom both in exports and imports, and a continuance of the fall in the share of the United States in the import trade. Germany increased her share both of imports and exports. A study of the percentage figures show that under imports the share of the United Kingdom rose from 56·6 per cent. in 1921-22 to 60·2 per cent. in 1922-23; and in exports from 20·1 per cent. to 22·4 per cent. For purposes of comparison it may be noted that the pre-War shares of the United Kingdom in the import and export trade were 64·1 per cent. and 23·4 per cent. respectively. The share of the Dominions and other British possessions in imports dropped from 10 per cent. to 7 per cent.; due mainly to the cessation of the large wheat imports from Australia, and decreased imports of Mauritius sugar, Natal coal and Uganda cotton. The share in exports also fell from 21 to over 18 per cent. Figures for the whole British Empire show that the Commonwealth had 52 per cent. of the total trade as against 54 per cent. in 1921-22. The share of the United States in the import trade, though greater than before the War dropped from 8·1 per cent. in 1921-22 to 5·7 per cent. in 1922-23. Her share of the export trade, however, improved from 10 per cent. to 11·1 per cent. Japan made a slight recovery in imports from 5·1 per cent. to 6·2 per cent.; but her share in export trade dropped from 15·7 per cent. to 13 per cent. Germany's share in imports improved from 2·7 per cent. to 5·1 per cent.; and in exports from 6·7 per cent to 7·2 per cent.

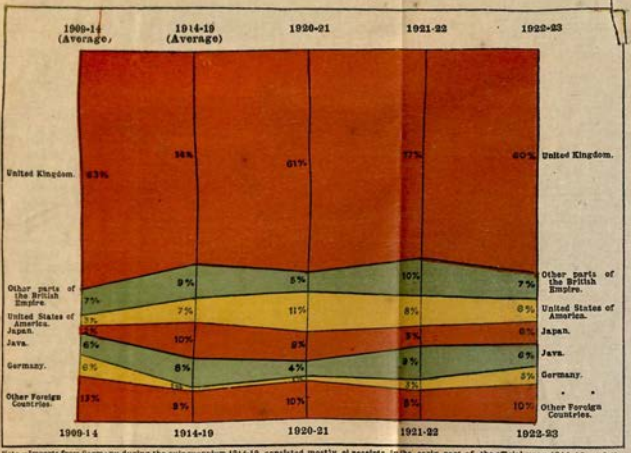
Some Comparisons.

If we turn to the direction of trade in a few of the more important commodities, it will be noticed that in iron and steel the United Kingdom made a recovery, although her share is still less than in the pre-War year. The United States

Diagram No. 8.

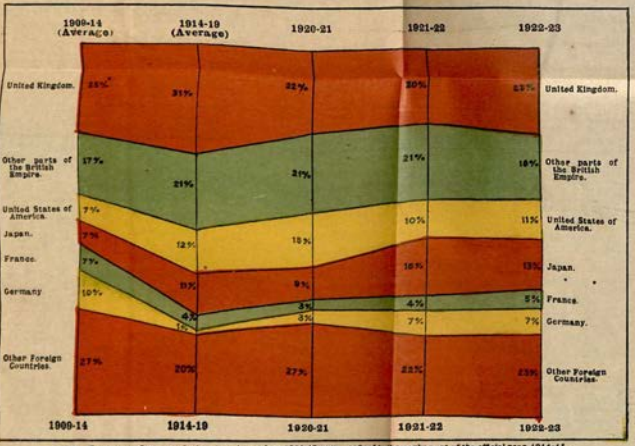
8. Variations in the shares of the principal Countries in the Import and Export trade of British India during the last three years, as compared with averages of the pre-war and war periods.

IMPORTS.


1909-14 (Average)
1914-19 (Average)
1920-21
1921-22
1922-23
United Kingdom. 63% 58% 61% 57% 60% United Kingdom.
Other parts of the British Empire. 7% 9% 8% 10% 7% Other parts of the British Empire.
United States of America. 7% 7% 11% 8% 8% United States of America.
Japan. 3% 6% 6% 5% 6% Japan.
Java. 6% 10% 8% 9% 6% Java.
Germany. 6% 8% 4% 3% 5% Germany.
Other Foreign Countries. 13% 8% 10% 8% 10% Other Foreign Countries.
1909-14
1914-19
1920-21
1921-22
1922-23

Note.—Imports from Germany during the quinquennium 1914-19, consisted mostly of receipts in the early part of the official year 1914-15, and the residue of cargoes of prize vessels imported during the war period.

EXPORTS.


1909-14 (Average)
1914-19 (Average)
1920-21
1921-22
1922-23
United Kingdom. 28% 31% 22% 20% 23% United Kingdom.
Other parts of the British Empire. 17% 21% 21% 21% 18% Other parts of the British Empire.
United States of America. 7% 10% 11% United States of America.
Japan. 3% 12% 13% 16% 13% Japan.
France. 7% 5% 5% France.
Germany. 10% 10% 9% 4% 7% Germany.
Other Foreign Countries. 27% 20% 27% 22% 23% Other Foreign Countries.
1909-14
1914-19
1920-21
1921-22
1922-23

Note.—Exports to Germany during the quinquennium 1914-19 were confined to the early part of the official year 1914-15.

receded considerably from the position gained during the War, while the trade of Germany improved. In machinery both the United Kingdom and Germany improved their position at the cost of the United States, whose share fell from 13·2 per cent. to 9·6 per cent. Under the heading motor-cars, the share of the United Kingdom fell from 50 to 31 per cent., while that of Canada and the United States rose from 8 per cent. and 25 per cent. to 20 per cent. and 33 per cent. respectively. In cotton manufactures, the United Kingdon increased her share from 83 per cent. to 84 per cent. On the export side the United Kingdom took 87 per cent. of the tea, which was distinctly higher than her pre-War share. Under raw cotton the share of Japan fell from 60 per cent. in 1921-22 to 49 per cent. in 1922-23. Of oil-seeds the United Kingdom, Germany, the Netherlands and Italy took greater shares of the considerably increased total exports, while the shares of Belgium and France decreased. Under food grains the shares of the principal importing countries showed decreases, with the exception of the United Kingdom, whose share was 12 per cent. in 1922-23 as compared with 10 per cent. in 1921-22. Under raw jute Germany's share fell from 30 per cent. in 1921-22 to 25 per cent. in 1922-23 ; and of France from 12 per cent. to 10 per cent. That of the United Kingdom and United States rose respectively from 20 per cent. and 13 per cent. to 26 per cent. and 15 per cent. In hides and skins the United States lost ground considerably, and both Great Britain and to a less extent Germany made progress at her expense. The share of the United Kingdom rose from 33 to 42 per cent.; while that of the United States fell to 26 per cent. from 34 per cent.

The United Kingdom.

The share of individual countries is also a matter of some interest. Imports from the United Kingdom were valued at Rs. 140 crores, as compared with Rs. 151 crores in 1921-22. The value of the exports increased by Rs. 21 crores to Rs. 70 crores. Cotton manufactures including twist and yarn accounted for 42 per cent. of the total imports as compared with 31 per cent. in 1921-22. The other important groups, namely metals and manufactures, machinery, and railway plant and rolling stock, accounted for 32 per cent. of the total imports, as against 41 per cent. in 1921-22. Imports of cotton piece-goods increased by 52 per cent. in quantity to 1,453 million yards from 955 million yards in 1921-22, and by Rs. 15 crores in value to Rs. 52 crores. The quantity of iron and steel imported increased to 359,000 tons from 281,000 tons, but its value fell from Rs. 1,138 lakhs to Rs. 1,066 lakhs. Machinery and mill work fell by Rs. 8½

crores to nearly Rs. 20 crores; and railway plant by Rs. 8 crores to Rs. 10 crores. Only 2,800 tons of raw cotton valued at Rs. 45 lakhs were imported as compared with 12,400 tons valued at Rs. 151 lakhs in the preceding year. The principal articles exported to the United Kingdom were tea (over Rs. 19 crores); raw and manufactured jute (Rs. 8⅓ crores); seeds (nearly Rs. 8 crores); food grains (Rs. 5 crores); raw and tanned hides and skins (Rs. 4½ crores); raw wool (Rs. 4⅓ crores); raw cotton (Rs. 4 crores) and lac (Rs. 2¼ crores). The total quantity of tea exported decreased by 8 per cent.; while its value increased by Rs. 3 crores to Rs. 19 crores. Raw jute increased by 72 per cent. in quantity and in value by 106 per cent.; the total value of raw jute and jute manufactures showing an increase of 70 per cent. from Rs. 493 lakhs to Rs. 838 lakhs. The total quantity of seeds exported rose from 219,000 tons to 421,000 tons; while food grains increased from 164,000 tons to 357,000 tons. Raw hides and skins showed a decrease of 300 tons from the 4,000 tons in the preceding year; while tanned hides and skins increased to 12,300 tons from 7,800 tons. Among British possessions

British Possessions.

it may be noticed that trade with Ceylon, the Straits Settlements, and Mesopotamia showed slight increases. The trade with Australia decreased to Rs. 645 lakhs from Rs. 1,349 lakhs, the cause of the decline being mainly in wheat. Imports from the Union of South Africa decreased to Rs. 82 lakhs from Rs. 145 lakhs, mainly on account of reduced imports of coal from Natal. Exports to the Union on the other hand increased from Rs. 227 lakhs to Rs. 244 lakhs, chiefly due to larger shipments of rice and jute bags.

As in the preceding year, Japan maintained the second place in India's foreign trade; the value of her total trade showing an increase

Japan.

of Rs. 3 crores over the Rs. 52 crores in 1921-22. Imports increased from Rs. 13½ crores to Rs. 14½ crores, and exports from Rs. 38¾ crores to Rs. 40¾ crores. The value of cotton manufactures imported increased to Rs. 8 crores from 6½ crores in preceding year; and represented 56 per cent. of the total import trade. The bulk of the imports of glassware, matches and silk manufactures came from Japan. No less than 84 per cent. of the total value of exports to Japan was accounted for by raw cotton.

The United States enjoyed the third place in India's foreign trade. The value of imports from that country fell from Rs. 22 crores to Rs. 13

United States.

crores; but exports increased from Rs. 26 crores to Rs. 35 crores. The principal articles imported from United States were mineral oil, machinery, iron and

steel, motor vehicles and hardware. These articles accounted for 70 per cent. of the import trade. Of the export trade nearly 89 per cent. was made up of jute, shellac, raw hides and skins and castor seeds.

Germany.

Germany was the most important continental country in India's foreign trade; and in the year under review she succeeded in ousting Java from the fourth place. The total value of Indo-German trade increased by no less than 44 per cent. to Rs. 34 crores, thus exceeding the pre-War average of Rs. 31¾ crores. Imports increased by 64 per cent. to Rs. 1,189 lakhs; while exports rose by 36 per cent. to Rs. 2,264 lakhs. The principal articles imported show increases in almost every direction. Iron and steel rose by 50 per cent. in quantity and 44 per cent. in value; synthetic dyes by 69 per cent. in quantity and 32 per cent. in value. Hardware improved by Rs. 52 lakhs and machinery by Rs. 23 lakhs. There were also important increases in brass, instruments, aluminium, glass and glassware and wool, paper and pasteboard and liquors.

Balance of Trade.

Before examining the balance of trade in the year 1922-23, we may point out that in normal years there is a large surplus of exports over imports of private merchandise. This is liquidated as a rule by the payment of interest on debt and other home charges, together with the importation of precious metals. The average credit balance of merchandise was Rs. 78 crores in the five pre-War years and Rs. 76 crores during the War years. In 1919-20, which was a year of unprecedently large trade, this credit balance rose to Rs. 129 crores. In 1920-21 there was a debit balance on the other hand of nearly Rs. 78 crores, which in 1921-22 decreased to 21 crores. But the general progress of Indian's advance towards normal conditions was indicated by the fact that in 1922-23 this debit was once more converted into a credit balance of more than Rs. 90 crores. The total visible balance of trade as measured by statistics of merchandise, treasure, enfaced rupee paper and the like during 1922-23 was in India's favour to the extent of Rs. 28 crores, as compared with a debit balance of Rs. 32 crores in 1921-22.

Calendar year 1923.

In the paragraphs immediately preceding we have been dealing with India's trade during the financial year 1922-23, which is the latest period for which the detailed analysis presented in the annual publication known as the Review of Trade is available. The tendencies towards a revival of India's export trade, which we have already noticed, were amply apparent during the nine months April to December 1923. With the exception

of August and November, every month showed a substantial increase in the export trade over the corresponding month of 1922 ; and the total value of the exports from the country during 1923 was greater by Rs. 48·9 crores than that for the calendar year 1922. The bulk of the increase was in wheat (Rs. 912 lakhs), in tea (Rs. 826 lakhs) and above all in raw cotton (Rs. 2,223 lakhs). On the other hand there were notable decreases in the exports of cotton twist and yarn. The import trade does not show corresponding results. There were notable decreases in the value of coal (Rs. 262 lakhs), railway materials (Rs. 256 lakhs). grey piece goods (Rs: 453 lakhs), cotton yarn (Rs. 297 lakhs), and wheat (Rs. 470 lakhs). Certain commodities nevertheless showed a considerable improvement. Coloured piece-goods increased by Rs. 685 lakhs, and sugar by Rs. 226 lakhs ; while there were small increases under woollen piece-goods, iron and steel sheets and plates, kerosene oil, and certain other commodities. In general, we may summarise the tendencies of the year by saying that on the exports side the categories of food, drink, and tobacco increased by Rs. 1,803 lakhs, due to larger shipments of wheat and tea ; raw materials and articles mainly unmanufactured increased by Rs. 2,473 lakhs, due chiefly to the export of raw hides and skins, seeds and raw cotton ; while articles wholly or mainly manufactured also advanced by Rs. 608 lakhs. There was in fact a large increase in the value of exports of lac,

Exports.

jute manufactures, raw cotton, raw hides and skins, wheat, tea and linseed and rape-seed ; while cotton yarn, rice and sesamum seed showed noticeable decreases. On the import side, the imports under the category of food, drink and tobacco decreased by Rs. 279 lakhs as compared with 1922, due mainly

Imports.

to smaller imports of wheat and salt. Raw material and articles mainly unmanufactured showed a decline of Rs. 252 lakhs, which is ascribed principally to the decrease under coal. Articles wholly or mainly manufactured fell by Rs. 1,040 lakhs, notwithstanding a considerable increase in the imports of cotton silk and woollen manufactures. This was due to smaller imports of machinery, hardware, wrought copper, steel bars and railway plant. We may summarise the noticeable features of India's import trade during the calendar year 1923 as large increases in the imports of white and coloured cotton piece-goods, sugar, iron or steel sheets and plates and woollen piece-goods ; and heavy decreases in the imports of wheat, grey piece-goods, machinery, cotton yarn, railway plant and coal. During the first three months of the calendar year 1924, the

export trade of India showed symptoms of ever-increasing vitality. In January the value of the exports of Indian produce and manufacture attained the high record of Rs. 3,614 lakhs. In February there was a slight decline to Rs. 3,419 lakhs, which was nevertheless Rs. 1,522 lakhs above the level of February 1923. In March 1924, the value of exports touched a fresh record of Rs. 4,014 lakhs. At the close of the year 1923-24 there was a balance of trade in India's favour of Rs. 6,179 lakhs, as against Rs. 2,496 lakhs in the preceding year.

Prospects for 1924.

Vitally connected with the commercial prosperity of India is the question of the tariff. Here as in other countries, the matter has a political as well as an economic side. For the last quarter of a century, powerful sections of Indian opinion have been demanding the formulation of some scheme of protection to safeguard the nascent industries of the country against the overwhelming burden of competition. In the fiscal affairs of India, a new era has dawned with the introduction of the Montagu-Chelmsford Reforms. In consequence of the changed relations between India and England, it was laid down that India will in future control in ever-increasing degree her own fiscal policy. As a matter of convention, the Secretary of State for India now normally refrains from interference in fiscal matters when the Government of India and the Indian Legislature are in agreement. The non-official members both of the Council of State and of the Legislative Assembly took the earliest opportunity of impressing upon the Administration the desirability of taking early steps to realise the results which the country could derive from the new convention. Accordingly in 1921 a Commission was appointed to examine, with reference to all interests concerned, the tariff policy of Government. The Commission began its work in November 1921, and its conclusions were published in the summer of 1922. The preliminary recommendations formulated in the Report urged the Government of India to adopt a policy of protection, which was to be applied with discrimination along certain general lines carefully indicated. In the selection of industries for protection, and in the degree of protection to be afforded, the Commission recommended that the inevitable burden on the community should be as light as was compatible with the development of the industries themselves. The Report recommended the creation of a permanent Tariff Board, consisting of three members nominated by Government, to investigate the claims of particular industries to

The Tariff.

The Fiscal Commission.

protection, to watch the operation of the tariff, and generally to advise Government and the Legislature in carrying out the policy formulated by the Commission. In dealing with claims for protection, this Tariff Board was to satisfy itself that the industries seeking protection possessed natural advantages; that without the help of protection they were not likely to develop and that they would eventually be able to face world-competition unprotected. The Commission further proposed that raw materials and machinery should ordinarily be admitted free of duty; that semi-manufactured goods used in Indian industries should be taxed as lightly as possible; and that the industries essential for the purposes of national defence, for the development of which Indian conditions are not unfavourable, should receive adequate protection. It was also recommended that no export duties should ordinarily be imposed except for purely revenue purposes; but that when it was considered necessary to restrict the export of food grains, such restriction should be effected by means of temporary duties. Dealing with the question of Imperial preference, which was among the most important items of their terms of reference, the Commission suggested that no general system should be introduced; but that the question of adopting a policy of preferential duties on a limited number of commodities should be referred to the Indian Legislature after the Tariff Board had conducted a preliminary examination. This policy, however, was to be governed by certain principles. In the first place no preference should be granted on any article without the approval of the Legislature; no preference should be given in such a way as to diminish the protection required by India's industries; and no preference should involve on the balance any appreciable economic loss to the country. It was further proposed that any preferences which it might be found possible to give to the United Kingdom should be granted as a free gift; but that in the case of other parts of the Empire, preference should be granted only by agreements mutually advantageous. Although the Report was signed by all the members of the Commission, five of the Indian members put forward a supplementary minute of dissent. They did not disagree with the main conclusions; but considered that the conditions and provisos laid down were calculated to impair their utility. Those who signed this minute maintained the necessity for an unqualified pronouncement that the policy best suited for India is protection. In other directions also they desired to underline and strengthen the language

Recommendations.

Imperial Preference.

The Minute of Dissent.

of the main Report, where they considered it to be half-hearted and apologetic. They expressed disagreement with their colleagues upon certain points connected with excise, Imperial preference and the constitution of the Tariff Board. Generally speaking, however, the broad unanimity of the recommendations put forward by the Commission as a whole was but little impaired by the minute of dissent.

The publication of the Report inevitably led to protracted discussion. Opinion, broadly speaking, divided itself into two groups.

Conflicting Interests.

The landed and agricultural interests together with the European commercial community, which is predominantly free-trade in its views, denounced the burden that the policy of protection would naturally impose upon the vast consuming population of India. On the other hand the great majority of political opinion joined with the indigenous manufacturing interests in condemning the Report as being too cautious. But from the discussion it was plain, first, that such Indian sentiment as exists in vocal shape upon the tariff question is principally protectionist; and secondly that there is a general belief both among Indian politicians and Indian commercial men that a new day will dawn with the adoption of a thorough-going policy of protection. In other words, while the producer class of India has clearly perceived where its interest lies, the consumer class, which includes the mass of the population so far as foreign trade is concerned, at present takes little interest in the tariff question. It would be interesting to speculate how long this condition of affairs is likely to last; for it seems fairly certain that if the policy of protection were to be adopted in anything like the form demanded by its more enthusiastic advocates, the resulting burden upon Indian consumers would come to them as a shock, the more unwelcome from being totally unexpected.

It is because Government realises the importance of such considerations as these, that the first steps in the direction of a protective policy

Attitude of Government.

are being taken with all caution. The facts of the situation do indeed tend to emphasise the insistence of the politically-minded classes upon the necessity for a change in the fiscal system. As a result of the modifications introduced into the tariff of late years for purely revenue requirements, India is already under a species of protection, which possesses the disadvantages of being unscientific, haphazard and insufficiently co-ordinated in respect of commercial considerations. On the other hand there still remains with Government the responsibility of safeguarding, so far as

may be, the interests of the great rural population, which is largely unvocal and so far unalive to the damage which might be inflicted upon its interests from a policy framed for the benefit of the manufacturers and of the towns.

Government accordingly decided to accept in principle the recommendations of the Report, but to lay stress upon the fact that India's tariff policy must be guided by the requirements of revenue, as well as by the interests of industry. Early in 1923 the Commerce Member of the Viceroy's Council moved the adoption by the Legislative Assembly of a motion accepting in principle the proposition that India's fiscal policy may be legitimately directed towards fostering the development of her industries. In the application of this principle, the mover explained, regard must be had to the financial needs of the country and to the present reliance of Government upon the revenues derived from customs and excise. He announced that the authorities had decided to constitute a Tariff Board, as an experimental measure for one year. After an animated debate in which the mutually conflicting interests of commerce and agriculture found clear expression, the Assembly adopted the official motion as a reasonable compromise. Shortly afterwards, Government announced that they had appointed to the Tariff Board Mr. G. Rainy, a member of the Indian Civil Service, with two non-officials, Professor Kale and Mr. Ginwala, both of whom possessed considerable experience in economic matters. The new Tariff Board proceeded to devote careful attention to the question of protecting the Indian iron and steel industry. They employed several months in a careful and elaborate investigation of the evidence submitted to them from various quarters; and their conclusions, which were published shortly after the close of the period covered by this Statement, showed that the claims for protection put forward on behalf of this industry were not ill-founded. The recommendations of Government, based upon the conclusions of the Tariff Board, were submitted to a special session of the Indian Legislature, fixed for the end of May and the beginning of June 1924.

Action taken.

The Tariff Board.

These developments represent a definite step in the direction which Indian national sentiment has for long been advocating. But whether India's fiscal autonomy will result in a protracted era of rigorous protection, may well be doubted; for such a policy would quickly produce a marked effect upon internal prices. At the moment, much of its attraction seems to

Future Policy.

derive from the feeling that India has not been free hitherto to experiment in the manner she desires. Now that a beginning is to be made, from which it will be possible to gauge the actual consequences of a cautious application of the protective system, there is every hope that the question of the tariff, which is so vital to the country's real interests, may be settled in accordance with the dictates of practical experience rather than of abstract reasoning. Last year, as we noticed in a previous Statement, there were vigorous demands from certain quarters for the establishment of an indigenous mercantile marine. This demand appears to have been based on several considerations. In the first place there was a well grounded belief among reflecting persons that India, with her long sea-board, cannot afford to neglect her development upon the ocean. In the next place, since 1914, there have been several years when there was a serious shortage of shipping, from which India's trade suffered considerably. Thirdly Indian enterprise has for long suffered from lack of any encouragemen. or protection; with the result that few Indian shipping companies have been able to survive the keen competition and severe rate cutting which so-called "foreign" combines have occasionally introduced into Indian waters. As a result of a resolution moved in the Legislative Assembly in 1922, a committee was appointed in 1923, under the chairmanship of Captain E. J. Headlam, Director Royal Indian Marine, to examine the whole question of the inauguration and maintenance of an Indian Mercantile Marine. The committee has at the moment of writing concluded its enquiries, but its report was not published for the information of the public until after the close of the period covered by this Statement.

A Mercantile Marine.

An important event of the year was the meeting of the Imperial Economic Conference in London. The sessions of this Conference were of great service in enabling the representatives alike of the Home Government, India and the Dominions to discuss a wide variety of matters of economic concern. The Indian Delegation consisted of Lord Peel, then Secretary of State for India, Mr. (now Sir Charles) Innes, Commerce Member of the Viceroy's Council and Mr. (now Sir Dadiba) Dalal, High Commissioner for India. A number of Resolutions of great importance were adopted. They dealt with such subjects as co-operation in financial assistance to Imperial development, Tariff Preference, Imperial Preference in public contracts and steps for the improvement of mutual trade including such matters as.

The Imperial Economic Conference.

Imperial communications, Customs Formalities and co-operation for Technical Research and Information. The Resolutions of the Conference on most of these subjects were unanimous, but in one or two important matters the representatives of India had to take their own line. As regards Imperial Preference in public contracts for instance, the representatives of India were unable to accept the principle that effective preference should be given to materials produced within the Empire, but they were able to show that the policy of accepting the lowest satisfactory tender to which the Government of India were pledged had not prevented India from being Britain's best customer. Indeed in 1921 India had bought from Britain more than the three great Dominions of Canada, Australia and South African combined. Again, the representatives of India were unable to commit India to a general policy of Imperial Preference. This is a question which in India raises many difficult issues both of an economic and a political character, and Sir Charles Innes made it clear that the Government of India must continue to reserve freedom of action.

India's Position.

The general dependence of Indian trade upon the prosperity of Indian industries needs no lengthy demonstration. During the War period, the notable report of the Indian Industrial Commission pointed out that India was unable to produce more than a small fraction of the articles essential for the maintenance of ordinary civilised activities. Though the country is rich in raw material it is still very poor in industrial achievements, as a study of the diagram on the opposite page will amply demonstrate. The difficulty has hitherto been that without active support on the part of the Administration, few Indian industries, except those based on some natural monopoly, could hope to make headway against the organized competition of Western countries. In justice to the Indian Government, it must be remarked that some time prior to the War, certain attempts to encourage Indian industries by means of pioneer factories and Government subsidies had been planned, but were effectually discouraged from Whitehall. Fortunately, the history of the War period has demonstrated the necessity of Government playing an active part in the industrial development of the country.

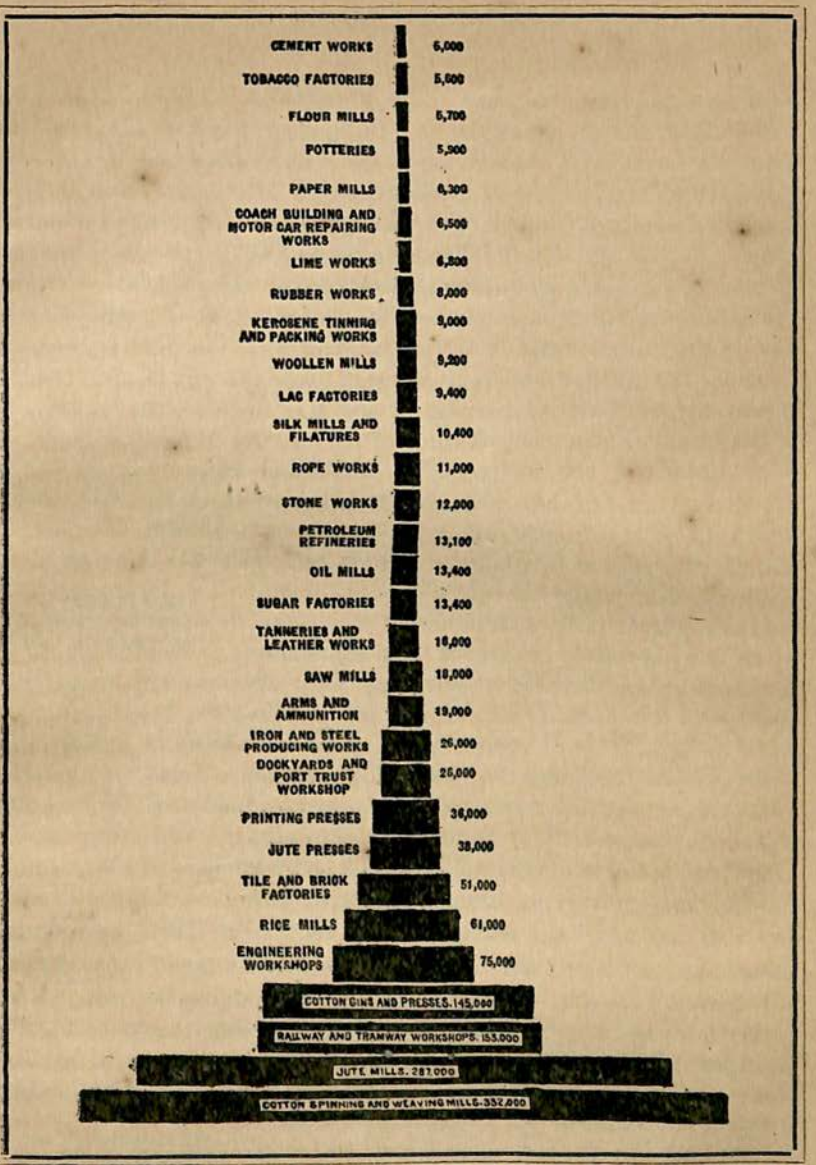
The State and Industries.

In February 1921 the Secretary of State sanctioned the creation of a Central Department of Industries as a permanent branch of the Government of India. Its scope included industries and industrial intelligence; industrial

The Department of Industries and Labour.

DIAGRAM 9.

Relative importance of the different classes of Industries in Ind during 1921.



NOTE.—The number represents the average number of persons employed daily in the respective industries.

1. Cotton Mills include figures for spinning and weaving establishment not classed as mills.
2. Engineering workshops include figures for electrical engineering workshops, ship-building and engineering works iron and brass foundries and canal foundries and workshops.
3. Dockyards and Port Trust workshops include figures for harbour works.
4. Arms and Ammunition include figures for arsenals, gun carriage factory, sappers and miners workshop and mechanical transport repair works.
5. Woollen Mills include figures for woollen carpet weaving establishments not classed as mills.

exhibitions; central institutions for industrial training; geology and minerals, including the geological survey of India; the administration of the Indian Mines Act, the Indian Explosives Act, and the Indian Petroleum Act. The Indian Factories Act, and other labour legislation also fell within its sphere; while patents and designs, copyright, legislation relating to electricity and steam boilers, stores, stationery and printing, inter-provincial migration, and salt were among its functions. To these spheres of activity were added, after the regrouping of subjects consequent upon the Retrenchment Committee's Report, meteorology and civil aviation, posts and telegraphs, irrigation and public works; while salt was transferred to the Board of Inland Revenue, working as part of the Finance Department, and exhibitions to the Department of Commerce. The department thus constituted is now known as the Department of Industries and Labour.

Central and Local Machinery for Industrial Development.

With the introduction of the Montagu-Chelmsford Reforms, the development of Industries has become a provincial transferred subject, hence the policy to be pursued in granting assistance to industries, the development of industrial and technical education, and to a large extent the research work necessary to establish the value of raw material, are now controlled by the Ministers in charge of the Provincial Departments of Industries. The constitution, however, permits the Central Government to exercise supervision over industrial subjects when such a course is considered necessary. For example, the establishment of pioneer industries for the conduct of which on an adequate scale the resources of any one Province would be inadequate; or the establishment, in similar circumstances, of institutes for carrying on research and training which affect the country as a whole, may be made the direct concern of the Government of India. Such questions as that of making India self-supporting, in the matter of stores required for military purposes, also fall within the scope of the Central Department of Industries and Labour. In which connection it may be mentioned that a contract has now been entered into with the Calcutta Soap Works, Ltd., for the manufacture of dynamite-glycerine; and a loan of Rs. 25,000 has been paid to the firm to enable them to purchase special refining plant. On the side of technical education and research, progress has been greatly hindered by the necessities of retrenchment. The Central Government had designed to establish a School of Mines and Geology; a scheme for the establishment of a

Some Activities of the Central Department.

Chemical Research Institute has had to remain in abeyance on account of the financial position. A certain amount of progress has been made with the School of Mines; but in pursuance of the recommendations of the Retrenchment Committee, no provision could be set aside for further expenditure on the construction of the school during the year under review. A revised scheme for the management of the Indian Institute of Science, Bangalore, which has resulted from the recommendations of a special committee of enquiry, is still under discussion. It is hoped, however, that the new plan will soon be brought into force. It may also be noticed that in pursuance of a resolution passed by the Legislative Assembly early in 1922, the Government of India have awarded three scholarships for the study of mining, geology and metallurgy, tenable in England for a period of three or four years each.

Industrial Education.

Among the most important of the proposals made by the Industrial Commission is probably that of the local purchase of Government and railway stores. Although the principle that Government stores should be purchased in India wherever possible has long been recognised, the absence of any institution for the amalgamation of indents and for technical inspection during manufacture, has rendered its practical application difficult. Manufacturing industries could not of course, be started without a sufficient and continuous market, while orders could not be placed so long as there existed no adequate means of manufacture. Accordingly, a machinery was instituted for bringing Government buyers into effective touch with local manufactures. This machinery soon developed into the Indian Stores Department. The scheme for its creation was subjected to review by the Retrenchment Committee, which recommended that further expansion should be postponed until it could be ascertained whether the Provinces were prepared to utilise it for their transactions; and until such time as expansion was financially justified. After careful consideration, the Government of India nevertheless decided to proceed with the development of the Department so far as circumstances permitted. In arriving at this decision they were largely influenced by the fact that in the absence of a properly constituted Stores Department, with intelligence purchase and inspecting agencies, it was impossible to divert to Indian mills and workshops the large indents which are now sent to London. Further, in their opinion, the quantities of stores at present purchased on Government and railway account

Purchase of Stores.

Indian Stores Department Expansion.

were of themselves sufficient to justify the existence of the organization. In pursuance of this decision, branches were constituted for the purchase of engineering stores and materials; and for the acquirement and dissemination of information regarding actual and potential sources of supply in the country. Further, the office of the Superintendent of Local Manufacture and Government Test House, has been reconstituted; and the inspection work hitherto undertaken by it has been handed over to a new branch at Calcutta, which is to constitute the nucleus of the Inspection Branch of the Department. As exemplifying the importance of the work at present performed by the Indian Stores Department, it may be mentioned that during the year under review, textile goods were purchased to the aggregate value of Rs. 105½ lakhs, and engineering materials and plant—a feature of the Department's activities which commenced only in June 1923—to the figure of Rs. 12½ lakhs. The period witnessed a marked increase in the inspection, testing and analytical work of the Department. The total value of the materials inspected by the Test House in the Calcutta Circle of Inspection amounted approximately to Rs. 201 lakhs, or 43 per cent. above the figure for the previous year. The tonnage of the material inspected at the Metallurgical Inspectorate was 157,000; representing an increase of 34 per cent. over last year. The number of tests and analyses carried out at the Test House and the Metallurgical Inspectorate amounted to 5,080 and 2,030, respectively, which are increases of 20 per cent. and 19 per cent. over last year's statistics. It seems likely that in the near future the work of the Department will be considerably increased by the revision of the Stores Purchase Rules on the lines recommended by the report of the Railway Industries Committee. Keen interest has been taken by political opinion in the possibility of purchasing in India many kinds of railway stores, for which at present indents are sent to London.

Analytical and Testing Work.

Among the miscellaneous activities of the Department of Industries and Labour during the year under review, we may select for notice three or four of the most important. The rapid increase in the expenditure on Government stationery and printing has for some time engaged the attention of the authorities. In January 1922 an experienced officer was placed on special duty to examine all possible avenues of economy. In consequence, various proposals were made both for controlling the printing work of the Government of India and for regulating the employment of articles of stationery in the various offices. The year 1923 witnessed

Printing.

important developments in the measures introduced to effect savings and secure efficiency. As a result of one year's working of the new system, savings to the extent of Rs. 40 lakhs were made, and throughout the whole of 1923, expenditure continued to show a satisfactory decline. The purchase system has been commercialised with a view to ensuring satisfactory quality at a business price, and it has been found possible to purchase 75 per cent. of the articles of stationery in India. An entirely new organization for the provision of forms has been instituted with remarkable success, and the system of standardization is now accepted in every Department. In the realms of printing, great strides have been made towards efficiency and economy. The amalgamation of the two Simla printing presses has been completed ; and the new press has been housed in a remodelled building, and re-equipped as the first purely machine composition press in the country, at a cost which has been more than covered by the sale of obsolete plant and surplus property. A complete reorganization of the Calcutta presses is now in progress. Further, the whole publication system has been overhauled. The Government of India have resolved to take up the business of publishing in right earnest; and early in the year 1924 a central office, including a book-shop of imposing appearance, will be established in Calcutta. This branch has been developed on commercial lines, and much attention has been paid to modern publicity requirements. Another activity of the Industries Department during the year under review relates to amendments in the Mining Rules, particularly regarding concessions for oil. These amendments extend both the period and the scope of prospecting licenses. The principle has also been accepted of permitting the holders of iron ore concessions to keep reserve areas in hand, while the rate of royalty leviable in future will be regulated by the market value of pig iron. In connection with the general subject of mines, it may be mentioned that the Indian Mines Act was revised during the year under review. The questions of fixing a period after which the employment of women in underground workings of mines is to be prohibited, and of starting a system of shifts in mines, have been referred to Local Governments for opinion. Draft regulations have also been drawn up under the new Act, and forwarded for mining bodies and local administrations for the expression of their views. The existing rules under the Act of 1901 have generally been incorporated ; but the provision of some rules have been strengthened,

The new System.

Revision of Mining Rules.

The Indian Mines Act.

and certain new regulations inserted. The most important of these relate to the certification of mines surveyors and of underground foremen; to matters relating to the raising and lowering of persons; to the conditions of roads and working places; to the use and custody of explosives; and to the use of safety lamps. As a result of an explosion of coal dust which occurred early in 1923 at Parbelia Colliery in Bihar and Orissa, involving the loss of 74 lives, Government appointed a representative committee to enquire into the danger of such explosions, and to report what means are necessary or desirable to provide against the risk of their occurrence. Among other industrial regulations of an important nature, mention may be made of the Bill to consolidate and amend the law relating to steam boilers. This passed through the Indian Legislature in February 1923, and regulations thereunder framed after consultation with the Board of Trade, Boiler and Insurance Companies, and Boiler Manufacturers, were finally published by the Government of India in October 1923. From the 1st January 1924 the Act and the Regulations came into operation. It may also be mentioned that the reciprocal arrangements for the protection of patents entered into with the United Kingdom, New Zealand, South Africa and Ceylon, during 1922 were further extended to Australia and Canada during the year under review.

Coal Dust Committee.

Steam Boilers.

Protection of Patents.

Valuable work in connection with the popularization of Indian industries in other parts of the world has been performed by the various exhibitions held in England of recent years. From the Indian point of view, the British Industries Fairs of 1922 and 1923 yielded not unsatisfactory results. Steps have been taken to secure that India takes her proper place in the British Empire Exhibition of 1924. A building of Indian design, covering a total space area of about 100,000 sq. ft. and estimated to cost over £100,000, has been erected largely from Indian material. Separate courts have been allotted to Provincial Governments and to such of the Indian States as desire to have exhibitions of their own; while the central space has been devoted to exhibits of All-India interest, including forests and cotton. The general arrangements have been in charge of the High Commissioner for India, who has been assisted by advisory committees in London; while Diwan Bahadur T. Vijayaraghavacharya of the Madras Civil Service, the Commissioner for India for the Exhibition, has devoted much energy to the task of ensuring

British Empire Exhibition.

that the principal products of India's industrial activity are adequately brought to the notice of the Empire.

Central and Local Industrial Direction.

From what has been said as to the importance of the part to be played by the Provincial Ministers in the future direction of the industrial activities of the various local Governments it will be plain that close consultation between the Central and Provincial Departments is essential. Accordingly, a series of conferences have been held between the Government of India and the representatives of the Provincial Departments of Industries, with a view to laying down methods of co-operation.

Provincial Industrial Organisation.

One of the most noticeable feature of India's new industrial progress has been the increasing strength of the provincial organizations. A brief review of the work accomplished by the Departments of Industry of the Local Governments will indicate at once the importance of the field which now lies open to popular enterprise, and the unfortunate limitations which financial stringency at present imposes upon its development. In the Punjab, for example, the financial position of the year precluded the initiation of any new scheme. Fortunately, the activities of the Department of Industries were not specifically curtailed. One of the chief of these functions is the collection and dissemination of commercial and industrial intelligence. A good library open to the public has been built up ; and printed sources of information are supplemented by general and special enquiries carried out by the industrial surveyors. The Department is thus enabled to deal with the numerous demands for information on such subjects as the sources of the supply of raw material for manufactured articles ; the outlets for the disposal of Provincial products, and the possibilities of starting various industries. Mention may be made in this connection of the Punjab Arts and Crafts Depot, which has succeeded in bringing the craftsmen of the Province into touch with wider markets and in improving the design and workmanship of the articles which they make. Valuable work has also been done in connection with the Tanning Industry. Government has undertaken to construct a model tannery, while improved methods of curing and packing are being pursued. In the case of the weaving industry, the Punjab Department of Industries is endeavouring to introduce the fly-shuttle loom and more readily marketable cloth patterns. It is however pointed out that no improvements in methods of working can enable hand-loom weaving to

The Punjab.

struggle successfully with the competition of the mills except in the case of artistic goods, where the individual attention and taste of the hand-worker should always enable him to produce a finer article than the automatic product.

The United Provinces.

In the United Provinces also, the Department of Industries has been handicapped by financial stringency; but even under this circumstance has displayed its value by giving positive support to provincial revenues. The Stores Purchase Branch placed orders to the value of Rs. 10·6 lakhs, with an estimated saving of Rs. 1·7 lakhs. Here as elsewhere the Local Government is taking the keenest interest in the industrial development of the Province. The new Board of Industrial Loan Commissioners dealt with many applications for the financing of industrial undertakings, a sum of Rs. 1 lakh being advanced on their recommendation. Smaller industrial schemes were financed to the extent of Rs. 15,000 by the Board of Industries. On the educational side, fresh recurring grants of Rs. 12,000 were made to private technical schools. It is reported that the progress made in technical education has, if slow been satisfactory; but that it is still handicapped by the poor quality of the candidates entering the schools. In general, the industrial situation is described as not unpromising. The leading manufacture of the Province, which is cotton, held its own and expanded, despite the dumping of Japanese goods. Silk and sugar prospered; but the hide and skin market was dull, and the glass industry experienced great depression owing to the competition of German and Japanese goods. On the whole, existing industries are offering stronger opposition to foreign competition; while new ventures are tentatively appearing. In Bihar and Orissa a scheme for an engineering college has been finally approved, and work on the extra buildings is commencing. The Orissa School of Engineering has been completed; and the establishment of a technical institute at Muzaffarpore is under consideration. But the postponement of the project for the Imperial School of Mines and Geology has caused disappointment to the local Government, which notes that until this institution comes into being, Indians have little chance of qualifying themselves for the Geological Survey and the Mining Inspectorate. At present the only education which can be given in this direction is provided by the evening mining classes designed to enable young men working in the Jharia Fields to qualify themselves for the post of manager in second-class collieries. Among aided institutions, the Jamshedpur Metallurgical Institute has made an excellent

Bihar and Orissa.

start. Negotiations for the establishment of the East Indian Railway's Technical Institute at Jamalpur have been completed. This Institute will eventually train over 200 boys in mechanical and electrical engineering, locomotive work and permanent way construction and maintenance. In the encouragement of the weaving industry, matters proceed somewhat slowly. In certain places, the introduction of the fly-shuttle loom progresses satisfactory in accordance with the activities of demonstration parties. In other areas, the conservatism of the weavers has still to be overcome. The new Cotton Experimental Testing Station recently completed its first full year's work. As a headquarters for the demonstration parties, and a training ground for the staff, it is meeting a long-felt want; while the experiments carried out are beginning to bear fruit. The Silk Institute has so far scarcely commenced work; but much is hoped from its activities. A proposal for a Cottage Industries Institute is under consideration; for the necessity of encouraging and developing subsidiary occupations among the rural population is now well recognised. Unfortunately, a somewhat severe setback to the progress of organised industries in the Province was caused by the refusal of the Legislative Council to vote supplies for the proposed sugar mill in South Bihar; and this despite the fact that only 18 months previously an almost unanimous resolution was passed in favour of the project. This is likely to discourage the preparation of further schemes of industrial development. Two other investigations of the major importance are however in progress; that for the establishment of a paper pulping mill at Cuttack is practically complete; while the proposal to stimulate match manufacture by a special enquiry into the timber resources of the Province and the best sites for factories has recently been approved. From the point of view of departmental organization, the year is noteworthy for the appointment of trained engineers as Circle Officers under the control of a Deputy Director. These officers are available for giving advice to owners of machinery and small capitalists anxious to erect plants for irrigation, oil pressing, rice hulling and the like.

Bengal.

In Bengal, research continues to be carried on in connection with the tanning industry. The Calcutta Research Tannery investigated both the commercial utility of tanning materials in the Sundarbans, and the economic methods of their utilisation. As in other provinces, experiments were carried on regarding the various woods used in the match industry; while a survey of the technical and commercial aspects of match manufacture in Bengal has been conducted. Under the heading of industrial development, we

may notice in the first place that demonstrations of improved methods of spinning, weaving and dyeing continue to be a successful feature of the Department's work. Steps are also being taken for the improvement of the cutlery and potter's industry in Burdwan. Progress towards the industrial development of the Province will, it is hoped, be facilitated by the bill for State Aid to Industry, which is now under consideration, and will probably be introduced into the Legislative Council in the course of 1924. Technical and industrial education shows good progress; and the fly-shuttle loom is rapidly spreading as the result of the efforts of the Government Weaving Institute and its connected schools. Owing to financial stringency, many new proposals for the establishment or improvement of technical schools were perforce postponed. The total number of institutions, public and private, at the beginning of 1923 was 117, at which nearly 6,000 pupils were in attendance. In Madras, the State Aid to Industries Act came into force early in the year. Pending the formation of the statutory board which this Act creates, no loans were given during 1922-23. But in the budget for 1923-24 a provision of Rs. 8 lakhs has been made for the purpose. The Board of Industries, which exercises a general supervision over the industrial development of the Presidency, met several times during the year, and two important committees were appointed, one on technical and industrial education, and the other on the leather industry. The Department of Industries participated in Industrial exhibitions held in various places in the South of India, exhibiting soap, ink, glue, finished leather, and other products of model factories. The Bureau of Commercial and Industrial Information continued to deal with a large number of enquiries from the general public, many relating to sources of supply of and markets for various articles and commodities. The fruit preserving institute at Coonor, the soap institute, the Government glue factory, and other institutions continued to work during the year. The activities of the Textile Institute at Madras were extended; and weaving parties toured the country introducing new implements and methods. Some success was attained in the extension of sericulture in several new centres. The progress of industrial education continued. The number of scholarships awarded for industrial purposes was increased; and the number of pupils under instruction in Government and in aided institutions rose to a gratifying extent.

Madras.

'In Bombay the activities of the Industries Department suffered grievously on account of retrenchment. Indeed, the Department is being retained almost in a

Bombay.

skeleton form, which has prevented the possibility of any great progress in the matter of investigation. The main work has been concentrated on cottage industries; and the weaving section continued its efforts for the general popularization of the fly-shuttle loom. Lack of funds interfered to hamper demonstration work. The fisheries section of the Department was entirely closed down; and the same is true with the attempts to demonstrate the possibilities of button making by machinery. But the experiments in connection with pottery seem to indicate some prospect of success with flooring tiles and earthenware. The semi-commercial plant ordered from Europe started work in July; and a large number of experiments were conducted both with tiles and pottery. The casein industry had another prosperous year; and the demonstration factory at Anand turned its attention to the manufacture of rennet casein. A drying machine has been successfully devised to enable the manufacture of casein to be carried on during the rains. Under the heading of industrial education, it may be noticed that the Victoria Jubilee Technical Institute was faced with financial difficulties. Government came to its assistance, however, and a promise of support was also received from the Mill Owners' Association. The Institute has now moved into its new buildings, and can claim to be the best equipped and most efficient institution of its kind in India. A very promising development is to be found in the arrangements now made for giving apprentices both in the railway workshops and in the Bombay mills a course of theoretical training at the Institute. The need for training of this kind has long been felt in Bombay; and it is believed that the classes will ultimately prove of great value to the industries concerned.

We may notice that the industrial progress of India is not confined to the area under British administration. Like the Provinces, several of the more advanced Indian States possess their own Departments of Industries. Among these mention may be made of Hyderabad, Mysore, Gwalior and Baroda.

Indian States.

In Hyderabad, for example, it is reported that the activities of the Department have extended in many directions. A Government Demonstration Weaving Factory exists; and travelling parties have been constituted to popularise the fly-shuttle loom. The Industrial Laboratory at Hyderabad has carried on experiments in the matter of the preservation of the Mohwa flower, alcoholic fermentation and vegetable dye manufacture. Loans amounting to Rs. 30,000 were granted during the year for the encouragement of small scale industries. It may further be noticed that on the occasion of His Exalted Highness the Nizam's

birthday, an industrial exhibition was organized on a large scale. Its success was such that the authorities have determined to hold it every year; and for this purpose a permanent building has been constructed.

From what has been said in the pages immediately preceding, it will be plain that the development of Indian industry is the object of considerable attention on the part of the authorities.

Indian Agriculture.

Nevertheless for many years to come, the main occupation of the country seems destined to be agriculture. Three persons out of every four in India still gain their living directly from the soil. Hence it is that the improvement of that livelihood constitutes the readiest way of advancing the prosperity of the country. Unless the Indian agriculturist can be equipped with the knowledge and the capital necessary for developing the resources at his disposal, it is difficult to see how he will in future support his share of the economic burden from which no nation on the road to self-government can escape. In many places the cultivator has already learned to look upon the agricultural expert as a friend and guide; and his old attitude of suspicion towards new methods is undergoing substantial modification. Very frequently, indeed, the so-called conservatism of the Indian cultivator is merely that of the practical farmer, who requires good reasons for departing from established practices. For when the success of improved methods can be plainly demonstrated, they spread with remarkable rapidity. But the question of initial resources is of capital importance.

Progress and its difficulties.

The Indian agriculturist has as a rule little money for irrigation water, for manure, and for efficient tillage implements. Hence, the suitability of crops to local conditions becomes a matter of great moment to him. The first and obvious step towards the improvement of Indian agriculture is the provision of improved varieties of existing crops; and it is to this end that the operations of the Agricultural Departments in India are primarily directed. If only the resources of these Departments can be expanded proportionately to the magnitude of the task before them, the future prosperity of the country may be regarded as assured; for great areas of land at present wholly unutilised or insufficiently exploited, await only labour and capital for the production of valuable crops.

The Agricultural Departments and their Work.

Hitherto, it has not been found possible to expend upon scientific agriculture the amount of money which India's necessities really require. The Imperial Department of Agriculture, with its headquarters at Pusa, is maintained at a cost of little more than Rs. 9 lakhs; while the total

expenditure of all the Provincial Departments amounts to but little over £1,000,000—a total charge on the country of about ½*d.* per acre per annum. The Pusa Institute is the principal seat of agr cultural research in India. At Pusa, as at Bangalore, post-graduate courses in Agriculture and the allied sciences have been introduced, with the object of qualifying those who pursue them for a career in the Indian Agricultural Service.

Rice.

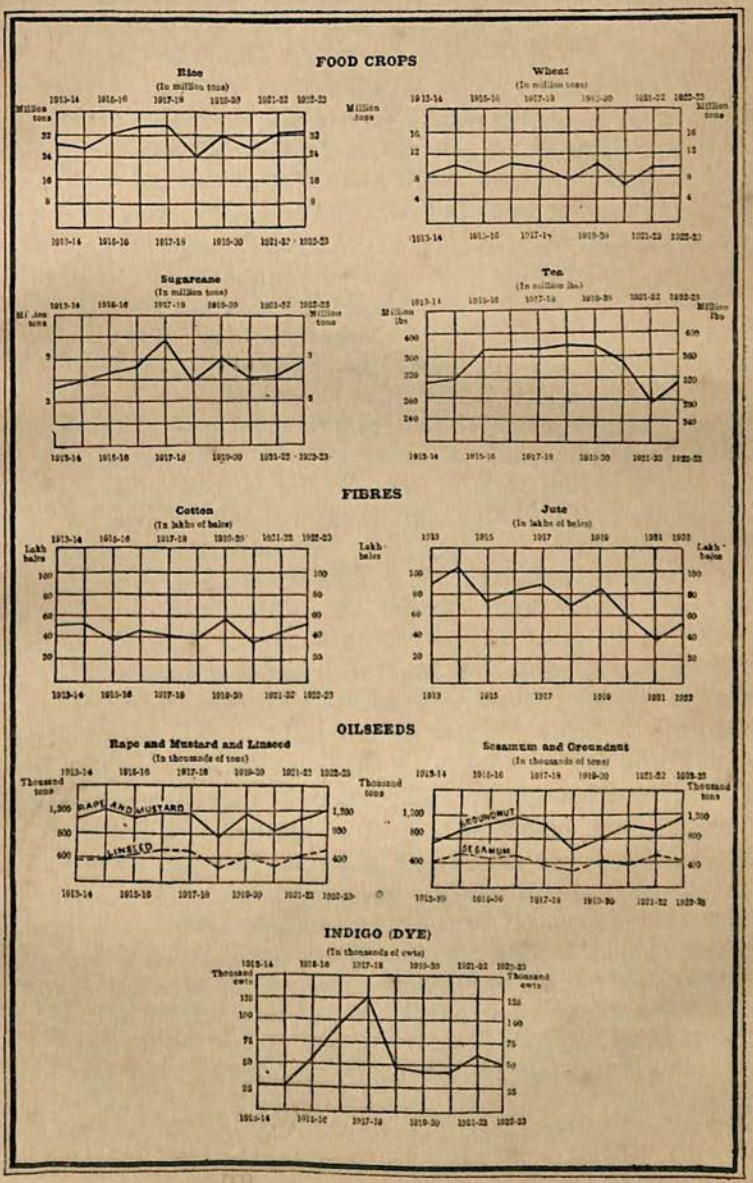
A brief note of the work accomplished by the Agricultural Departments in dealing with particular crops will amply demonstrate their immense value to India. First in importance of all the grain crops of the country is rice. Its yield is a vital factor in the welfare of the population. Accordingly, much attention is devoted by the Agricultural Departments to the selection of improved varieties and to the supply of suitable seed. The demand for this improved seed has now begun to outrun supply. In Bengal, the Indrasail variety is spreading rapidly in no fewer than five districts. In Madras, two new high yielding varieties have been brought out, and two more are under observation. In Burma, the new varieties introduced by the Agricultural Department have spread to about 100,000 acres, and the crop fetches a premium of between Rs. 10 and Rs. 15 per unit of 5,000 lbs. In Bihar and Orissa, an early type introduced by the Department has been found suitable for land too poor for the local crops. In the Central Provinces the improved strains produced by the Department have been found to give considerably enhanced acreage profit. One of them indeed yields 470 lbs. of paddy more than the local variety, and thus gives an increased income of £1 per acre to the cultivator. In Bombay, the new strains of Kolamba rice have given an outturn of from 16% to 27% more than the ordinary varieties. If the whole rice crop could be enhanced throughout the country in something like this measure, greater benefits would result to a larger proportion of the people of India than could be realised by the improvement of any other single crop. Not only does it occupy a larger area than any other stock ; but in addition it is used as a staple food by a greater percentage of the population.

Wheat.

Next to rice in importance in the list of Indian crops stands wheat. But as a rule Indian wheat is of low quality, and does not fetch good prices in the World's market. Accordingly, the work of the Agricultural Departments upon this crop consist, first, in the evolution and distribution of strains possessing superior yielding power, better quality of grain, improved strength of

DIAGRAM 10.

Yield of certain principal crops from 1913-14 to 1922-23.



straw and greater resistance to rust; and secondly in demonstrating the response of the crop to better cultivation. The improved varieties produced at Pusa have now been extended to all the wheat growing areas. Pusa Nos. 12, 4, and Punjab No. 11 are increasing in demand, and now occupy more than a million acres in the United Provinces and the Punjab alone. These varieties are also making headway in places so diverse as the Peshawar Valley, North Sind, Kathiawar, the Nilgiri Hills and the Southern Shan States. In Bihar and Orissa the area under improved wheat is increasing; while in the Central Provinces five varieties introduced by the Agricultural Department have actually become the standard wheat for the different localities for which they are suited.

Among the food crops next in importance, mention must be made of sugarcane, upon the improvement of which the Departments have expended much labour. In this commodity, the balance of trade lies decidedly against India; the imports of foreign sugar during 1922-23 amounting to 442,400 tons. The production of refined sugar in India increased during the same period from 2·59 million tons to 2·93 million tons; and there is no reason why eventually the outturn should not suffice for the needs of the country. Projects have been on foot in recent years for the encouragement of sugar production. A committee which sat to investigate the question recommended the establishment of a Sugar Research Institute and a large demonstration factory. Unfortunately it has been found impossible to give effect to these projects on account of the financial situation. But Government has established at Pusa a Sugar Bureau with the object of furnishing advice to cultivators, manufacturers and capitalists. This institution is steadily increasing the scope of its activities. In addition to the publication of statistical notes bearing on the production and consumption of sugar in different parts of the world, the Bureau has taken over the testing and multiplication of improved varieties of sugarcane for the surrounding district, and of arranging mill trials for the more promising strains. One of the main features of the sugar work of the Agricultural Departments has been the promising results attending the trials of canes produced at the breeding station at Coimbatore. These have flourished well in Bengal, Bihar and Orissa, the Punjab, the Central Provinces, and the North-West Frontier Province; while in Bihar and Orissa the demand for them far exceeds the supply. Some idea of the prospects awaiting these improved varieties may be gathered from the fact that in the Central Provinces one strain has given over a period of eight

Sugar.

years an average outturn of 2,488 lbs. of rough sugar per acre more than the variety which it has displaced. The introduction of power-driven machinery for crushing cane on a small scale may also revolutionise the prospects of Indian sugar, since crude sugar manufactured on improved lines fetches from six shillings to ten shillings more for every 500 lbs. of produce than can be realised by the older processes.

Cotton.

Of textile crops, cotton is the most important. Indian stands second only to America in total production, but her cotton is shorter in staple, poorer in spinning value, and smaller in yield per acre. For many years, the Agricultural Departments have been devoting their energies to raising the quality of Indian cotton. The scope which exists for this work may be gauged from the fact that the acreage under cotton amounts to something like 21 millions. The success of a selected variety often turns upon the possibility of obtaining a sufficient premium for the improved quality. The type known as "4-F" is worth to the cultivator at least £1 per acre more than the local strains; and in the Punjab alone the increase in profits to the grower represents in the aggregate well over half million sterling. In Bombay, there is a great demand for Departmental seed, as strains of cotton well suited to different localities are evolved. The variety known as Navsari is spreading very rapidly in South Gujerat and last year seed sufficient for about 200,000 acres was distributed by the Department.

The Indian Central Cotton Committee.

In order that Indian cotton may obtain an adequate price in the World's market, it is essential not merely that the spread of the long stapled variety should be encouraged, but also that its adulteration in bulk with the short stapled local strains should be sedulously avoided. There is thus ample opportunity for close co-operation between the Departments of Agriculture, and those who trade in this important crop. In 1921, the Indian Central Cotton Committee was established to act as a connecting link between the traders and the agricultural experts, and also to serve as an advisory body to Government on all questions affecting cotton. It affords a joint meeting ground for all sections of the trade with those who are engaged in the improvement of the crop. Under the recently passed Cotton Cess Act, the Indian Central Cotton Committee has been constituted as a corporate body with funds of its own, independent of the finances of the Government of India. It derives its revenues from the levy of a small cess upon the whole of the commercial cotton crop; and devotes the proceeds to the promotion of

agricultural and technological research in the interests of the cotton growing industry. Another important legislative measure which deserves notice in this connection provides for the restriction of the transport of short staple cotton into areas where long staple cotton is grown. It is hoped that the results of this legislation will arrest the process of admixture which has produced such an alarming deterioration of the quality of the cotton crop.

Jute.

The World's supply of jute fibre is obtained almost exclusively from North Eastern India, and so long as plentiful supplies of raw material exist at reasonable prices, India enjoys a monopoly of the production. The area sown under jute from year to year is to a large extent governed by demands from abroad. During the period under review, as we have noticed in another place, the exports of jute increased considerably over that of the previous year. During 1922-23 the value of jute exports rose by no less than 43% from Rs. 44 crores to Rs. 63 crores. The work of the Agricultural Departments in connection with this important crop consists mainly in the isolation of superior yielding strains from the common mixtures found in the field. There is already a strong demand in Bengal for Departmental seed of the improved varieties, which are particularly noticeable owing to their resistance to disease. Almost one-sixth of the total acreage of jute in Bengal is now occupied by one particular Departmental variety. One of the chief difficulties lies in seed production which is usually not profitable in Bengal, since it pays the cultivator better to cut the crop for fibre. But a new field for seed-growing seems to be opening in Madras, and in Western Bengal on lands too high for paddy. The Agricultural Department has also undertaken investigations into the manure requirements of jute; and has demonstrated that the presence of potash and lime used in combination is of vital importance.

Tobacco.

The tobacco industry of India seems likely to enjoy a promising future. With the recently imposed heavy duties on imported tobacco, the prospects for growing successfully the finer grades have improved. That the field is a large one can be judged from the fact that during the year 1922-23 cigarettes to the value of Rs. 1·85 crores were imported into India. The demand for Pusa type 28, which combines yield and quality, and is suitable both for cigarette making and for general cultivation, has increased very considerably during the year under review.

The prospects before the indigo industry do not seem quite so bright. During the War, when German synthetic dyes were difficult to obtain,

the area under cultivation expanded. But now that the German dye has again come upon the market in considerable quantities, the natural product encounters severe competition. If the struggle is to be successful, the present yield per acre must be increased, and the loss in the manufacturing process reduced to a minimum. Endeavours have recently been made to achieve results in both these directions. Important investigations into the use of pure bacterial cultures are being carried on in the Pusa laboratory; and with the object of meeting the cost of measures for promoting research, an Indigo Cess Act was passed in 1921. In May 1922 the special investigations carried out by the Indigo Research Chemist were practically completed, and the remainder of the work was undertaken by the Pusa Institute. The Indigo Cess Act was repealed with effect from August 1923; but during the year under report valuable work in vat fermentation was continued at Pusa.

Indigo.

India's consumption of vegetable oils and oil cake normally engrosses a very large proportion of her total production; but during year under review excellent crops left a considerable surplus for export. Investigations during the War into the dietetic value of vegetable oils have considerably increased the scope of their use; and it seems probable that when European conditions become really settled, the demands upon India for these commodities will very greatly enhance their importance. The Agricultural Departments endeavour to select the best varieties of seed, and to introduce them into the districts for which they are most suitable. In Bihar and Orissa, certain varieties of ground nuts have been introduced into sandy soil, where the average yield per acre after treatment with ashes has amounted to exactly double the yield from untreated areas. In Madras, where the cocoanut crop is of great importance, investigations have been directed into the cause of the great variations between the yields of different trees under apparently identical conditions; and as typical of the direct practical advantages of intensive study of this kind the fact may be mentioned that the local practice of planting cocoanuts in deep pits has been proved quite unnecessary.

Oil Seeds.

During the period under review, the work which has been done in connection with rubber, coffee and tea has continued to show great promise. A number of experiments directed to the study of manurial systems are being conducted on South Indian rubber estates. Plant diseases are also being investigated; and a great advance has recently been made in the general

Rubber, coffee and tea.

use of green dressings. In coffee, the hybrids produced by the Madras Agricultural Department are now in great demand; and one of them has already proved its value in the London market. In tea, the work of the Agricultural Department is principally directed to the question of green manures; and demonstrations of their value as a means of preventing wash, and of increasing organic matter in the soil, have given satisfactory results. As we have noticed in another place; the tea industry revived, during the year under review, from the period of depression through which it had passed in 1921-22.

Among the more promising industries of India may be mentioned fruit growing. Those who have hitherto devoted their attention to the improvement of Indian fruit have been few; and the absence of co-operation has prevented any considerable advance. But efforts are now being constantly directed by the Agricultural Department towards inculcating the importance of careful selection of trees, and proper tillage of the soil. In Madras a special pomological station has been opened at Coonoor, where various kinds of fruit trees of improved types are on sale. In the Punjab, efforts are being made to improve the date-palms by introducing Arabian varieties imported from Mesopotamia. On the Frontier, the work done at Quetta and Tarnab has resulted in the establishment of a number of good gardens laid out and worked on up-to-date lines, both in Beluchistan and in the North-West Frontier Province. Endeavours are being made in many places to popularise the better varieties of fruits, and to introduce improved methods both of cultivation and of packing. But there is need for a more thorough investigation of the economics of fruit growing before satisfactory advance can be achieved; for example the possibility of establishing a system of co-operative marketing, such as obtains in California, has yet to be tested. But the fruit-growing industry possesses one considerable advantage in India over kindred pursuits. A certain proportion of the educated classes who do not take kindly to other species of farming, are quite willing to adopt fruit-growing as a profession.

Fruit.

Crops grown purely for fodder form a very small proportion of the cattle food of the country; and for this reason have not in the past been subjected by the Agricultural Department to the same systematic treatment as staple crops. But the fodder-question is now assuming increasing importance on account of the restriction of grazing areas through the rapid extension of arable cultivation, combined with a stricter conservation of jungles

Fodder.

as forest reserve. The work done by the Agricultural Departments has already tended indirectly to increase the quantity of fodder available, since improvement in the yield of grain crops involves a simultaneous increase in the yield of straw. But more and more attention is now being devoted directly to the problems of fodder raising and storing; and work of great value is being performed in demonstrating the possibility of new sources of supply. In Bombay, improved methods have been introduced in the preparation of prickly pear as emergency fodder. In the United Provinces, also, it has been discovered that a troublesome weed known as baisurai, which seriously affects the yield of unirrigated crops on account of its deep roots, can be advantageously utilised as cattle food. It is estimated that through the employment of this weed, a saving of 0·22 million tons of other fodder can be affected in the United Provinces. Since this quantity considerably exceeds the total amount imported into the Provinces during the severest fodder famines of recent years, the value of the discovery is unquestionable. As a result of large scale trials of berseem (Egyptian clover) at Pusa, this fodder is beginning to displace local varieties of fodder crops in certain localities.

Turning to the chemical side of the work of the Agricultural Departments, we may notice that soil surveys are in progress in Madras, Bihar, Bengal and Burma. In Bombay, investigations have been started to determine the physical properties of different types of soil, and to discover means of increasing their water-holding capacity. Very important work upon soil investigation has been carried on at Pusa. Nitrogen fixation in the soil by non-symbiotic organisms is being largely developed; and a method of conserving the nitrogen-content of cattle urine, suitable for use by the ordinary Indian cattle-owner has been devised. Experiments are in progress both here and elsewhere in connection with cheap methods of manure storage; and important investigations into animal nutrition are being pursued.

Soil Investigation.

As was mentioned in last year's report, the study of pests, both vegetable and animals, is a matter of great moment to India. Diseases caused by parasites are numerous and destructive, the damage done annually to rice, sugarcane and cotton in particular, being very serious. Continuous attention has been devoted by the Agricultural Departments to remedying this state of affairs; but the immensity of the problem, in combination with shortage of staff and financial stringency, continue to retard progress. One great difficulty with which the Departments are faced is the patient

Pests.

apathy of the cultivator, who believes in the majority of instances that pests and blights are the visitation of Higher Powers. Energetic propaganda has to be undertaken before the masses of the agricultural population can be persuaded of the possibility of controlling these manifestations. Another very important, if common, pest is the rat. In addition to his disservice in spreading plague, this animal constitutes no inconsiderable burden upon the food supply of the country. Experiments seem to show that the average rat consumes about 6 lbs. of grain in a year; and as the total rat population of India is estimated at about 800,000,000, the loss caused to the country by these animals must be near £15,000,000 per annum. Much attention is being devoted both by the Agricultural and by the Public Health Departments to the problem of rat extermination; as well as to the question of devising methods of storing grain in such a manner as to protect it from damage.

Rats.

A very important branch of the operations of the Agricultural Departments lies in the sphere of engineering; and is mainly connected with the improvement of the water supply in existing irrigation wells by their connection with sub-artesian supplies by pipes and bores. Work of this nature is of the greatest practical importance; and its successful development has in many Provinces added not a little to the prestige of the agricultural experts. For example, in the United Provinces, the energies of the Engineering Section have developed more and more in response to the demand for wells. The section has accordingly been much expanded, and there are now four circles, each in charge of an Assistant Agricultural Engineer. The methods of conducting the work have been thoroughly revised, so as to give landowners the full benefit of the available advice and service. Machinery is being installed in a new workshop, and it is now possible to keep a sufficient stock of essential materials and spares. During the year, sixteen installations were erected and completed, with four pumping stations; while eighteen are now under construction. The demand for tube wells is maintained; and the number of borings made during the year was 624, of which 457 were successful. These figures show a satisfactory advance on the statistics of last year, which are 591 and 393, respectively.

Agricultural Engineering.

Among the most important postulates for the success of efforts to improve Indian agriculture, may be mentioned an improvement in the cattle population. The bullock is still the principal motive power in the fields, as well as upon

Cattle.

the roads ; indeed the total number of live stock of the bovine class in India is not less than 146 millions. According to the 1919-20 Cattle Census, the number of cattle per hundred acres of sown area ranges from 86 in Bengal to 33 in Bombay ; while the number per hundred of population varies from 86 in the Manpur Pergana to 33 in Delhi. The average for British India as a whole attains the remarkable figure of 57 cattle per hundred acres of sown area and 61 cattle per hundred of the population. It might be imagined from these statistics that India is to be congratulated upon her wealth in live stock. Unfortunately, however, very considerable numbers of these cattle are maintained at an actual loss, being unfit either for labour or for milking. The real difficulty lies in the fact that the question cannot be treated as one of pure economics ; for veneration for the cow is universal throughout the larger proportion of the Indian masses. Popular sentiment will not agree to the elimination of the unfit and wasteful members of the cattle population. As a result the efforts of the authorities to improve the position labour under grave handicaps. There are however two obvious lines of advance which can be pursued without offending the religious susceptibilities of the most orthodox ; first the improvement of the breed of cattle ; and secondly its preservation both from disease and from famine. In arable areas, increased breeding is now an imperious necessity, owing to the rise in the price of working cattle. There is at present in many places a great lack of stock bulls ; while the drain of the best milk cattle into the towns, and their consequent loss for breeding purposes, has deleteriously affected the milk breeds of the country districts. At Pusa, cattle breeding has been mainly directed along two lines ; the grading up of a country milk breed; and its cross breeding with imported cattle of high milking-pedigree. The recent transfer of the three military dairy farms at Bangalore, Wellington, and Karnal to the Imperial Department of Agriculture, will greatly facilitate these experiments ; and will also enable Government to develop the educational side of cattle breeding and dairying in India. In the various Provincial Agricultural Departments, considerable work is being done by the provision of stock bulls, and by the general improvement of the chief local breeds. Progress is necessarily slow on account of the magnitude of the terms in which the problem is stated. Simultaneously with the work in improving the breeding stocks, comes the preservation of cattle from famine and epidemics. Mention has already been made of the steps taken by the Agricultural Department to increase the fodder supply ; for it is unquestionable that one method of raising

Improvement of the Breed.

the proportion of useful cattle is to popularise those forms of fodder which are at the present moment neglected. There is little doubt that a considerable percentage of India's cattle is underfed; and thus, the addition to other disadvantages due to poor stock and close inbreeding, labours under a serious handicap in the struggle for existence. Equally important is the question of preserving Indian cattle from contagious diseases. This presents certain difficulties peculiar to the country. The Agricultural Departments have to fight not merely against the natural sources of infection, which are numerous, but also against ignorance, old-established customs and deep-seated prejudices on the part of people. Cattle-owners, when disease is prevalent in a village, often remove their cattle to another locality, and it is difficult to make them realise that such action is the means of spreading disease. Until the cattle-owners themselves can be made to understand the importance of early information and immediate segregation, periodical outbreaks are destined to remain both a source of loss to them and a danger to agricultural interests in general. The brunt of the struggle against cattle disease is borne by the Indian Veterinary Service. There are more than 600 veterinary hospitals and dispensaries at work throughout the country, and the cases treated number more than one million annually. It is gratifying to note that the public in general is now taking an increasing interest in veterinary matters. Last year, for example, a Veterinary Hospital was built in Bombay with the help of popular subscription; and in the Punjab substantial assistance is received from the general public. The Imperial Bacteriological Laboratory at Muktesar, which supplies munition for the campaign against contagious cattle diseases, distributed nearly two million doses of serum and vaccine during the year under review. The research activities of the Laboratory into cattle diseases were developed upon an unprecedented scale, and much economically useful information is in consequence being acquired. The second session of the trial course for the training of Indians belonging to the Provincial Branch of the Veterinary Service, for promotion to the Imperial grade, was held during the year. It is believed that the results of the experiment justifies the contention that the advanced training required for entrance into the highest posts in the service can readily be given at the Muktesar Laboratory.

Cattle Diseases.

Veterinary Work.

The Muktesar Laboratory.

The need for supplementing the cattle power of the country has been felt for some time back; and it has now begun to strike those cultivators

who have grasped the significance of improved tillage in the scheme of general agricultural improvement. It is more and more realised that such crops of sugarcane depend for their yield quite as much upon a more extensive tillage as upon increased supply of manure and water. Accordingly, as a result of demonstrations held in certain places, much interest has of late been evinced in agricultural motor tractors. Experiments have been undertaken with a view to discovering the suitability of different types. So far, the results have not been particularly promising, for in several localities tractors have been found unfitted for deep ploughing; while the cost of the work per acre is beyond the means of all but the largest landowners. Moreover, the fact that in India fields are as a rule rather too small for tractor cultivation seems for the present to limit the possibility of progress in this direction; but where large stretches of land have gone out of cultivation tractor ploughing may well prove advantageous.

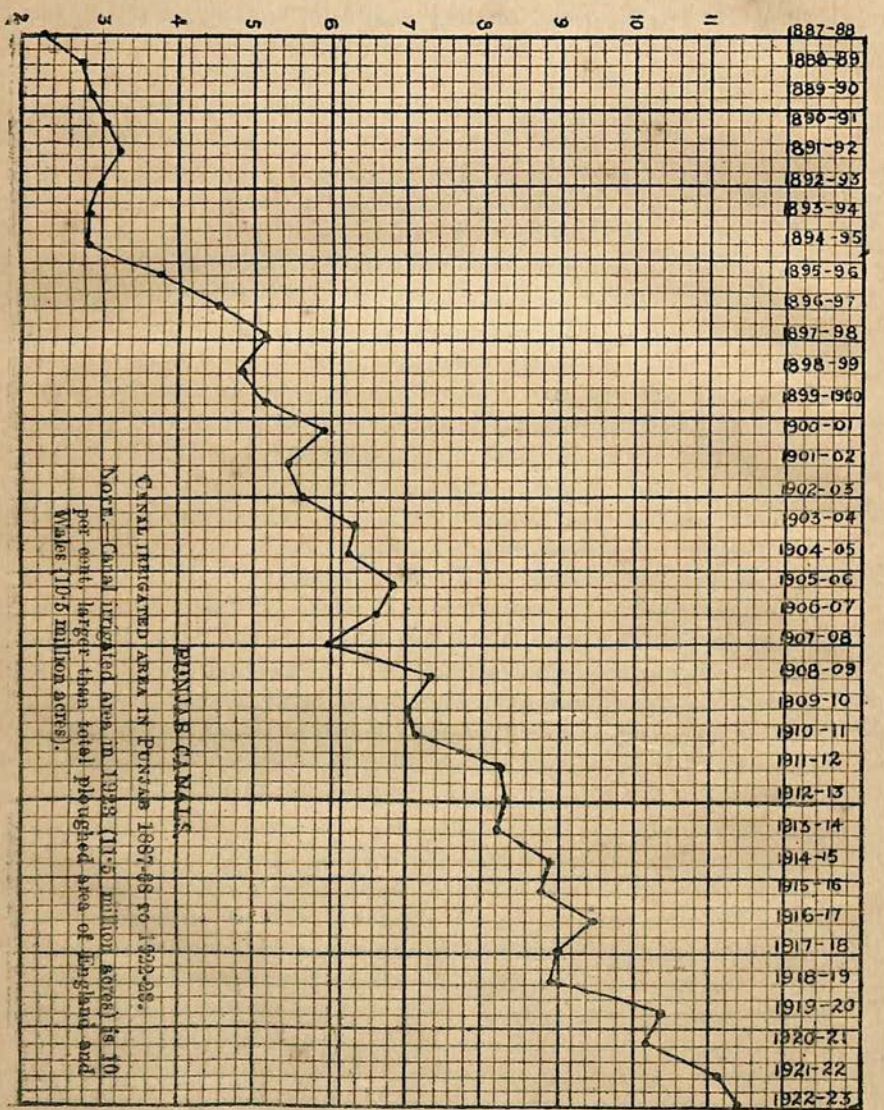
Tractor Cultivation.

It is obvious that to a very large extent the utility of the work of the various Agricultural Departments depends upon the effective diffusion of a knowledge of improved materials and better processes among the population of India. But such a task presents peculiar difficulties. The large majority of Indian cultivators being wholly illiterate, the methods of conveying information by leaflets, circulars and lectures, which are so effective in more advanced countries, here fail to produce the desired result. It is generally necessary to resort to ocular demonstration; and for this purpose, Government seed and demonstration farms, implement depots and the like, have been established. The most convenient means of convincing agriculturists that the suggested improvements are really practicable has been found to lie in the employment of small plots in their own fields for demonstration purposes. The question of bringing home to the Indian cultivator the value of the work done on his behalf by the Agricultural Departments, thus resolves itself very largely into the provision of adequate and properly trained touring staffs, organised on lines dictated by experience. Much assistance is, however, derived from the co-operative movement. In every Province, the Agricultural and the Co-operative Departments work hand in hand, and thereby succeed in bringing improved seed, better implements, and more advanced methods within the ken of the masses of the population. At the present moment, indeed, the co-operative organizations provide the main channel through which the results of the labours of the agricultural experts filter down to the cultivators themselves.

Demonstration.

DIAGRAM 11.

Growth of Canal Irrigation in the Punjab.



Prominent in the sum—total of the labour which has been devoted by the authorities to the improvement of Indian agriculture must be reckoned the achievements of the irrigation system. India may justly be proud of her progress along this line, in which she stands second to no other country. For a fuller and more adequate description of the irrigation system, reference may be had to the "Triennial Review of Irrigation" for 1918-1921. The paragraphs which here follow attempt nothing more than the barest outline of some of the more salient features.

Irrigation.

We may begin by noticing that in the Tropics, cultivation can be, and in many cases is, effected by natural rainfall only; but there are many regions in which the artificial watering of some portion at least of the crops is essential. In some parts of India, the rainfall of every season is insufficient to bring the crops to maturity; while in other parts it is liable to uneven distribution, or to such deficiency as to render the tract concerned famine-stricken in the absence of artificial protection. The Indian Irrigation Commission, which sat from 1901 to 1903, recorded that between the area in which the annual rainfall is invariably sufficient, and that in which it is so scanty that no agriculture at all is possible without an irrigation system, there lies a tract of nearly a million square miles which, without the aid of irrigation, is exposed to the uncertainty of the seasons and to the scourge of famine.

Necessity for Irrigation.

There are various methods by which irrigation is accomplished in India. A very large area is watered without assistance from Government by the cultivators themselves, the principal means employed being wells, tanks, and temporary obstructions to divert water from the streams on to the fields. Well irrigation is particularly important in India; and although exact figures regarding the number of wells, and the area irrigated from them are not available, it is known that as far back as twenty years ago there were approximately two and a half million wells irrigating some twelve and a quarter million acres. The capital invested in this form of irrigation is probably now not less than Rs. 100 crores. Almost every known system of raising water is simultaneously practised in India ranging from the primitive plan of hand-lifting to the modern device of power pumping, which, thanks to the efforts of Government engineers, is gradually growing more common. But the means principally employed is cattle power; and experiments made before the war show that in certain districts, where the wells average from 35 to 40 feet in depth,

Methods of Irrigation.

the cost of irrigation with cattle power was Rs. 70 per acre, at the prices which then prevailed, per annum. The field for the introduction of small power pumps of a standardised pattern is thus very great; for it is estimated that land now producing crops worth Rs. 15 to Rs. 30 per acre can easily be made to yield produce of much greater value when more efficient methods of water raising are available.

Government Irrigation Work.

Government irrigation works comprise both tanks and canals, the former being mainly small affairs which derive their importance from their vast numbers. For example in Madras alone, there are nearly 40,000 petty irrigation works, serving between 2½ and 3 million acres. Turning now to canals, we may notice that they are divided for convenience into two classes; those drawing their supplies from perennial rivers and those which depend upon water stored in artificial reservoirs. The former are mainly found in connection with rivers rising in the Himalayas,

Tanks and Canals.

the snow upon which acts as an inexhaustible source of supply during the dry months of the year. The latter are principally associated with the rivers rising in the Peninsula proper, where no such natural storage is available. Storage works are situated mainly in the Deccan, the Central Provinces, and in Bundelkhand. They range in size from small earthen embankments to enormous dams such as those now under construction in the Deccan, capable of impounding over 20,000 million cubic feet of water. Canals which draw their supplies from perennial rivers may again be divided into perennial and inundation canals. The former are provided with head-works, which enable water to be drawn from a river, irrespective of its natural level; some obstruction being placed in the bed so that the water may reach the height required to secure admission to the canal. Within this class fall the great perennial systems of the Punjab and the United Provinces. Inundation canals have no such means of control, and water only finds its way into them when the natural level of the river reaches the necessary height. The most important inundation canals in India are those of Sind; indeed, upon them depends the whole irrigation of the Province; but they also exist in the Punjab, drawing their supplies from the Indus and its tributaries.

Irrigation under the Reforms.

With the introduction of the Reforms, two important changes were introduced in the classification of Government irrigation works. In the first place, irrigation was given the status of a Provincial reserved subject; enhanced financial powers being delegated to local Governments in order to give them a

much freer hand than they had previously possessed, in respect of all but the most important projects. Only those works estimated to cost over Rs. 50 lakhs now come before the Government of India for submission to the Secretary of State. In the second place, the old and somewhat cumbersome classification of individual works was abandoned; and all are now classified as either productive or unproductive. Productive works are such as satisfy the condition that within ten years of their completion they produce sufficient revenue to cover their working expenses and the interest charges on their capital cost. All other works are classified as unproductive.

Irrigation in 1922-23.

During the year 1922-23 the total area under irrigation, excluding Indian States, amounted to some 28¼ million acres. This represented 13% of the entire cropped area of the country, and was about a quarter of a million acres more than the previous record of 28·1 million acres irrigated in 1919-20. The total length of main and branch canals and distributaries in operation amounted to some 67,000 miles; while the estimated value of the crops supplied with water from Government works was Rs. 143¾ crores. The area irrigated was largest in the Punjab, where it extended to about 10¾ million acres during the year. This figure constituted another record, being a quarter of a million acres in excess of the previous maximum of 1921-22. In addition to the area thus mentioned, 728,000 acres were irrigated from channels, which, although drawing their supplies from British canals, lie wholly in the Indian States. Next among the Indian Provinces came the Madras Presidency, with an area of 7⅛ million acres; followed by Sind with 3⅝ million acres, and the United Provinces with 2⅝ million acres. The total capital outlay on irrigation and navigation works, including works under construction, amounted at the end of the year 1922-23 to Rs. 84 crores. The gross revenue was Rs. 10 crores, and the working expenses Rs. 3·9 crores; the net return on capital is therefore 7·3%.

New Projects.

We may now briefly describe certain new projects under construction. Certain alterations have been made in the important Sarda-Kichha feeder project. The circumstances in which this scheme was prepared rendered it certain that very considerable changes in the projected alignment would be necessary before the work of construction could be taken in hand. The original proposal for utilising the water of the Sarda contemplated a diversion into the Ganges River above Narora at the headworks of the Lower Ganges Canal, thereby giving a large additional supply to the Ganges

and Agra canal systems. The project provided also for a separate feeder from the Ganges Canal to supplement the supplies of the Eastern and Western Jumna Canals. The principal item was a great feeder canal from the Sarda to the Ganges, which would have traversed at right angles the whole of the drainage of the sub-montane tract between the two rivers. This scheme was abandoned in favour of a canal which would provide irrigation to the north-western districts of Oudh, with only a comparatively small branch for the irrigation of Rohilkhand. It was considered advisable to prepare a project for this branch in advance of that for the whole Oudh scheme. The project was designed to take up the irrigation which under the earlier proposal would have been effected by the first forty miles of the Sarda Ganges feeder. It has now been found possible to carry the whole volume of water further to the South, thus avoiding the malaria-ridden portion of the Tarai through which the original alignment ran. Great economy has thereby been effected, and it is now believed that the work will be completed within the amount estimated when the project was first framed in 1914, despite the great increase in rates which has taken place since that time. The saving is further expected to cover the cost of substituting a barrage for a solid weir at the head of the canal.

Sarda-Kichha and Sarda Canals.

The Sarda-Oudh Canal takes off at the seventh mile of the Sarda-Kichha feeder. The Sarda Canal project consists of a main canal, with a length of 17½ miles, after which it divides into three branches. From these branches a network of distributaries will emerge. There are to be 478 miles of main canal and branches; 3,370 miles of distributaries, and 100 miles of escapes. The canal will irrigate nearly 1·4 million acres, and produce a return of 7½% on the estimated capital cost of £7½ millions. The operations carried out up to the end of 1922-23 have involved an expenditure of Rs. 116 lakhs.

Sarda-Oudh Canal.

There are on either bank of the Sutlej, in British territory on the North, and in Bahawalpur territory on the South, a long series of inundation canals, which draw their supply from the river whenever the water supply is high enough to permit it. These canals are liable to all the drawbacks of irrigation by inundation. There are no weirs at their heads and in many cases no means of controlling the volumes entering them; consequently while the water supply is assured during the monsoon months of a normal year, it is liable to serious fluctuation according to the seasonal condi-

Sutlej Valley Canals.

tions. In a year of inferior rainfall, little water enters the canals; in a year of heavy rainfall, they are liable to grave damage by flood.

It is *inter alia* to remedy this state of affairs that the Sutlej Valley project has been framed. This will afford the existing canals an assured and controlled supply from April to October; it will enable their scope to be extended so as to embrace the whole low-lying area in the river valley; it will afford perennial irrigation to the uplands on both banks, which are at present entirely unirrigated, and owing to the low rainfall waste. The project consists of four weirs, three on the Sutlej, and one on the combined Sutlej and Chenab, with twelve canals taking off from above them. This multiplicity of canals and weirs seems a peculiar feature of the scheme, until it is realised that the project consists of four inter-connected systems, each of the first magnitude. The canals are designed to utilise 48,500 cubic feet of water per second during the hot weather and the monsoon, and 7,000 cubic feet a second during the cold weather. Over 5 million acres will be irrigated, of which 2 million will be in the Punjab, 2·8 million in Bahawalpur, and 0·35 million in Bikaner. The real value of the project will be appreciated from the statement that as a result of it, 3¾ million acres of desert waste will become available for cultivation. The scheme, which received the sanction of the Secretary of State in December 1921 is progressing well; and up to the end of 1922-23, Rs. 166 lakhs had been spent upon it.

Sukkur Barrage.

The Sukkur-Lloyd Barrage project in Sind, which is the greatest irrigation scheme now under construction, was finally sanctioned by the Secretary of State in 1923. Its object is to give an assured supply to, and extend, the irrigation now effected by the numerous inundation canals in Sind, which draw their water from the Indus. This will be achieved by the construction of a barrage, nearly a mile long between abutments, across the Indus; which will be by far the biggest work of its kind yet built. From above the barrage, seven canals will take off, irrigating over 5 million acres, of which 2 million comprise existing inundation irrigation, to which an assured supply will be given, while the remainder is at present entirely uncultivated. The cost of the scheme will be about £18 millions.

Future Programme.

The Cauvery reservoir project in Madras, and two great irrigation schemes in the Punjab, have not yet progressed beyond the stage of examination. Almost every Province has several schemes under investigation which are not yet ripe for sanction; but it is interesting to note that if only those

projects which are likely to be constructed within a reasonable time are reckoned, an addition of over 6 million acres or the total area under irrigation will result. As we have already noticed, the record area irrigated by Government works was attained during the year 1922-23, when it extended to above 29 million acres. By the time the projects now under construction are in full working order, a total of 40 million acres is confidently anticipated. When allowance is made for the more promising projects now being considered, and for the natural expansion of existing schemes, an ultimate area of 50 million acres is by no means improbable.

It will be apparent from the preceding pages that the Indian irrigation system, despite the scope which exists for its future expansion, is already highly developed; unfortunately the same cannot be said of certain other activities designed for the development of natural resources. Among those forms of latent wealth which would unquestionably yield excellent results to intensive exploitation, forests and fisheries may be selected for a brief review.

Forests.

The injury which has been inflicted upon many countries by the destruction of forests is a commonplace; and India has escaped none of the penalties which arise from the neglect of this branch of her natural resources. The forests in the plains which once provided a hunting ground for the Mughal emperors have mostly disappeared; and the land they once occupied has either come under cultivation, or now stands as a deserted tract with ever increasing ravines. On the hill sides the blind destruction of forests has brought many serious consequences. After denudation, water pours down from the hills with great force, since the trees no longer discharge their function of storing water and doling it out gradually. The fertile surface soil is swept away together with the vegetation, and deep ravines are formed. The process of deforestation has probably been going on for many centuries; though only in recent times has it attracted much attention. When under British rule the necessity for forest conservation became apparent, the evil had proceeded very far. Among its most serious economic consequences may be mentioned the necessity, now imposed on the population of northern India, of seeking their fuel supply elsewhere than from brushwood. Owing to the lack of suitable wood, the greater part of the animal manure of Hindustan has to be burned as fuel. The land is therefore very largely deprived of the resources which properly pertain to it, with profound and disastrous effects upon the husbandry of the whole country.

These broad national aspects of forestry are still hardly appreciated in India; for much work still remains to be done in educating the public to a proper realization of the value of India's forests as a commercial asset. Indeed, there is some reason to apprehend that the Forest Departments may find themselves in conflict with public opinion. The restrictions upon the grazing of cattle, the felling of trees, and the lighting of fires, which are so necessary for the protection of the interests of future generations, are frequently most unpopular among those classes of the population whose activities are thereby restrained. Particularly during the days of the non-co-operation movement, was the work of the various Forest Departments gravely hampered. Incendiarism, grazing and lopping assumed proportions hitherto unknown. At the same time, the friction which resulted between the Forest Department and certain sections of the general public led to agitation of various kinds. In consequence, the attention of Government has lately been specially devoted to endeavours to convince both the educated and the uneducated classes of the importance of forest conservancy. Special care has also been taken to differentiate between real and fictitious grounds of complaint; and to relax the rigour of forest restrictions in such a manner as to meet the requirements of villagers without prejudice to the interest of the future. In several provinces, forest committees have been organised with the object of justifying, and enlisting public opinion in support of the measures required for forest conservation. Good progress has also been made in the system of handing over to panchayats the management of the smaller reserves which are chiefly valuable for the supply of grazing for local cattle. In the United Provinces, where there was considerable agitation against the forest policy of Government in Kumaon, a standing committee of the Legislative Council has been appointed for the purpose of dispelling misconception and fostering co-operation between the Forest Department and the public. A special enquiry was also held into the grievances of the Kumaon villagers, with the result that certain modifications of the existing system have been successfully carried into effect.

Forest Conservation and Public Opinion.

Forest Conservation and Public Opinion.

Despite the not unnatural difficulty of securing the cordial co-operation of the general public and the additional disadvantages of shortage of staff and financial stringency, Indian forests yield a considerable revenue to the State. In the year 1920-21, the latest date for which complete figures are available,

Forests Pay.

the surplus of revenue under this heading amounted to Rs. 1·77 crores. In considering this result it must be remembered that out of a total forest area of more than a quarter of a million square miles, less than 60,000 square miles have at present been brought under regular scientific management as prescribed by working plans. An immense scope thus exists for expansion in the future. Already there are signs of the beginning of a new era. The increased demand for timber and other forest products characteristic of the post-War years has undoubtedly stimulated forest exploitation throughout India. The Provincial Governments have now completed in the main the reorganization of staff required for developments in the immediate future. The sanctioned strength of the Indian Forest Service is now 399 officers; of which number 353 are to be recruited directly, and the balance obtained by promotion from the Provincial Forest Service. As an index of the success of the popular demand for the Indianisation of the service, it may be mentioned that out of a total of 14 probationers, recruited in 1923-5 were Indians and the remainder Europeans. At the end of this year the strength of the directly recruited cadre was 305, while 38 probationers were under training in Great Britain. We may here note that the place at which the probationers for the Indian Forest Service will be trained in future is still under consideration.

The Forest Service and Indianisation.

Among the most important lines of future development may be mentioned that of forest engineering. Much valuable work has already been accomplished; and a special Forest Engineering Service consisting of 17 officers is now in existence. But in this, as in other directions, progress is severely handicapped by financial stringency, as well as by the lack of any system of providing funds for considerable capital expenditure, no matter how heavy the returns may be. How much remains to be done from the point of view of exploitation is indicated by the fact that the outturn of timber and firewood from all sources amounted in 1920-21 to just under 300 million cubic feet, representing only about 2 cubic feet per acre from all classes of forests. Under more intensive systems of development, and with the aid of more up-to-date methods of extraction, this yield could be greatly increased. The need of a book on forest engineering suitable for use as a text book at the Forest College at Dehra Dun has long been felt; and sanction has now been given to the preparation of a manual which will be useful not only as a text-book, but also as a work of reference.

Forest Engineering.

Of recent years, a certain progress has been made in establishing and consolidating definite relations with the commercial world. The possibility of utilising bamboos for paper pulp has now been demonstrated; and the number of firms to whom concessions have been granted for this purpose has increased. This fact is of considerable importance from the general standpoint of India's industries; for there can be little doubt that extensive forest areas of bamboo and Savannah grass could be utilised for the local manufacture of a large proportion of the paper and pasteboard now imported from other countries. Further, large private concerns are now undertaking the extraction of timber, the manufacture of ply-wood, and the like, on long term leases. There is great scope for development in this direction; for India, despite her quarter of a million of square miles of forest, still imports wood, and articles made of wood, from other countries. Moreover, much is hoped from the introduction in the World's market of Indian timbers; some of which, though at present but little known, possess high commercial value.

Exploitation.

Minor forest industries are also of growing importance; although the small scale on which they are at present established renders their results liable to fluctuation, from the financial standpoint, from year to year. In the United Provinces, as elsewhere, the policy regarding the Utilisation Circle includes the maintenance of model institutions employing the most up-to-date machinery and imparting instruction in the latest methods of work. Important work is being carried on in the Central Woodworking Institute at Bareilly. Experiments are being conducted in the seasoning of timber; and modern machinery has been installed for the use of apprentices. A rosin and turpentine factory has been established, with the result that the rosin industry is now on a commercial footing. The factory, together with the saw-mill and turnery, has been made over to syndicates, who will float them as limited companies in which shares will be held by Government.

Minor Industries.

Side by side with conservation and exploitation, must go research into forest economics. The Industrial Commission, to whose report reference has already been made, considered that the Forest Research Institute of Dehra Dun did not possess an equipment sufficient to meet the calls made upon it. As a result of this recommendation, a general scheme for the enlargement of the Institute was sanctioned. But before it could be put

Research.

into full effect, a period of financial stringency developed, which, combined with the "axe" of the Inchcape Committee, has considerably restricted the available funds. During the course of the period under review, fair progress was none the less made in many important investigations. The specialists in wood technology, timber seasoning and testing, wood-making and pulp and paper-making, who had been engaged in 1921 from England and America for short periods, were either re-

The Forest Research Institute.

engaged or succeeded by others appointed on similar agreements. The American specialist in charge of wood technology left the Institute; but the Government of India, subject to the approval of the Legislative Assembly, decided to enter into an agreement with him by which he will write a text-book on the technology of Indian timbers, and will train an Indian in America with the idea of fitting him for eventual employment as wood technologist. On account of the financial stringency above referred to, it has not been found possible to make rapid progress with the construction of the new Research Institute. But the economic workshops are practically completed, and were functioning at the close of the year; and every effort is being made to push on with the scheme as quickly as funds will permit. The total expenditure devoted to this end up to the end of March 1924 amounted to about Rs. 40 lakhs.

In her fisheries also, India possesses considerable national wealth, to which attention was prominently directed by the Indian Industrial

Fisheries.

Commission. In many parts of India the consumption of fish in cities and towns within reasonable distance of the sea, is both considerable and steadily increasing. For example, the total importations of fish into Calcutta have steadily advanced from 346,378 maunds of 82 lbs. in 1917 to 417,684 maunds in 1921-22 and 435,194 maunds in 1922-23. The supply is still far short of the demand. To meet it continuous and ruthless fishing is carried on throughout the year—fishing which includes even spawn and fry. There is every reason to fear that unless legislation can be introduced for the enforcement of a close season, the local fisheries of

Bengal.

Bengal will soon become seriously depleted. The first necessity of the situation is the spread of sound ideas among the fishermen, who are at present of low caste, ignorant and uneducated. But persistent propaganda carried on by the Bengal Department of Fisheries, prior to its abolition on grounds of economy, has removed to an encouraging extent the apathy and the

conservatism of the fishing classes. Satisfactory progress is being made in the organization of co-operative societies for the leasing of fisheries, and for the spread of primary education by means of special schools. In Madras, where the Fisheries Department has been long established,

Madras.

the year under review was particularly satisfactory. While the Department is not intended primarily for the production of revenue, the financial results obtained are gratifying testimony to the success of its working. The important revenue earning sections realised a profit of Rs. 76,000; and the total expenditure of the Department, in which is included a large sum spent on the education of fisher children and on socio-economic work among the fisher folk, exceeded the receipts only by Rs. 16,000. The Government Fish Canneries showed a satisfactory increase both in output and in sales. The Tanur Experimental Station extended its operations in the preparation of fish meal, which during the year under review could be sold at the very low rate of 2 annas a lb. The Pearl and Chank Fisheries Section also operated at a profit; and as the result of an extensive pearl bank inspection, promising prospects have been revealed of a successful pearl fishery in 1926, or 1927. Equally satisfactory results were obtained from the inland piscicultural operations, and valuable work was done in stocking the waters under the control of the Department with fish of various species. Temperance and social work occupied a large share of the attention of the Department. The Fisheries Training Institute and the elementary schools continued to do useful

The Punjab.

work; while the number of fishermen's co-operative societies showed an increase. In the Punjab, where the Fisheries Department is of more recent growth, its position is not so well established, but it has already made a fair start on the road to financial independence. Here, as elsewhere, the well-being of the fishermen is one of the most important objects of the Department, whose aim it is to secure willing assistance in the fish conservation designed as much for the benefit of the fishermen themselves as of the community at large. Given sufficient staff to enforce the rules, and to ensure proper conservation, the benefit to the food resources of the Province, through the operations of the Department, would be incalculable. So far, the attempt to introduce co-operative methods among the fishermen has been somewhat of a failure, owing to the uncertainty about the ownership of backwaters in which most of the fishing of the Province is done. The right of fishermen to pursue their trade in these waters has been challenged by the landowners. The trouble

at one time promised to be serious; but disputes were averted by tactful handling on the part of local departmental officials.

In the preceding pages, we have briefly reviewed the course of India's economic life during the year 1923-24, and the progress which has been accomplished in the development of her natural resources. It now remains to describe the condition of what is perhaps the most indispensable of all requisites to her prosperity—her system of communications. The whole question is attended with special difficulties. Quite apart from the enormous distances which must be traversed, and the natural obstacles to be overcome in passing from one region of the Indian sub-continent to another, the internal communications, even of a restricted area, frequently break down altogether in the rainy season. Floods are of frequent occurrence; even trunk roads and railways are cut; while quite important market towns find themselves entirely isolated from the neighbouring districts. This state of affairs is an old story in India. Throughout the whole of her history, difficulties of communication have exercised a preponderating influence upon her political as well as upon her industrial condition; and they still persist, despite railways, telegraphs motor transport and other expedients undreamt of in former times, as a formidable obstacle to the progress of commercial development. Unceasing efforts, combined with expenditure upon a scale hitherto impossible, must be devoted to the task of bringing the road and rail communications of India up to the requirements of to-day. During the period now under review the utilisation of mechanical transport for military and other purposes has continued to develop, but its employment depends, like that of humbler means of communication, upon increasing improvements in the road system.

Communications.

The necessity for extending India's roads is becoming every day more apparent. At present the economic loss caused by the inaccessability of many agricultural districts in the rainy season is very considerable; and this cannot be remedied until the system of trunk roads is fairly developed. The progress which is being made year by year is inadequate for the necessities of the country. The total mileage of metal and unmetalled roads maintained by public authority is still only about 216,000. The matter should receive close and early attention, and public interest must be aroused to its importance.

Roads.

Of all the means of communication in modern India, the most important is the railway system. A study of the map on the opposite page

DIAGRAM 12.

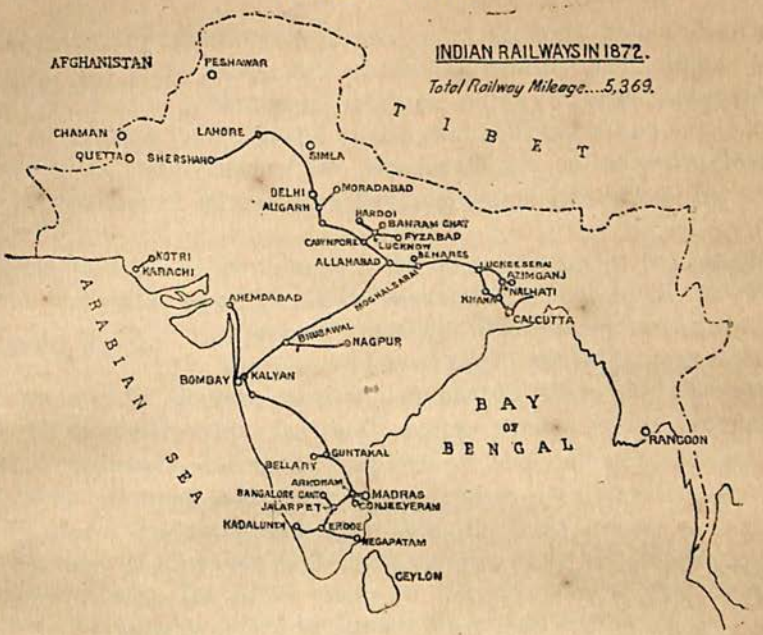
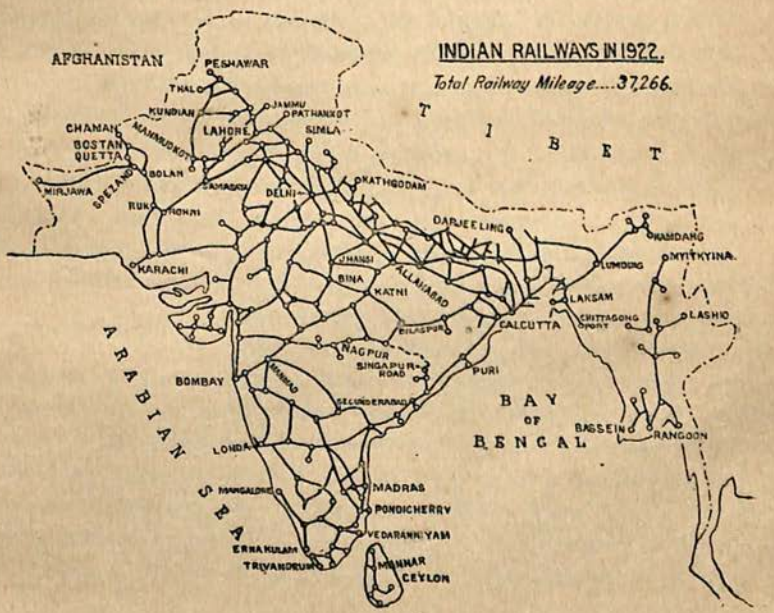


DIAGRAM 13.



will illustrate the remarkable development which has taken place in the course of the half century since 1882. In that year, the total railway mileage amounted to only 5,369 miles. By the end of the year 1922-23, it had expanded to 37,618 miles, and in the last two decades the net gain to Government from the working of all railways has aggregated more than Rs. 100 crores.

Railways.

During 1921-22, as we noticed in the last Statement, the railways fell from the status of an important source of revenue to the position of a heavy liability. We noticed that owing to the unprecedented rise in working expenses, and the slump in trade, the receipts to Government in that year amounted to Rs. 81·94 crores, while the total charges worked out to Rs. 91·21 crores. Fortunately, during the year 1922-23, the position again became satisfactory; the net gain to Government after providing for interest, annuity, and other similar charges, being Rs. 1·22 crores. The total gross earnings of all railways in India amounted to Rs. 105·65 crores, as compared with Rs. 92·89 crores in 1921-22. These figures, however, include railways owned by Indian States and companies for which the Government of India has no direct responsibility. The receipts to Government for the year 1922-23 showed the considerable rise of about Rs. 11½ crores in comparison with the figures of the previous year. This was due to a certain extent to an increase in passenger fares and goods rates. But it is symptomatic of a reviving commercial prosperity of the country, that there was also an increase of 6½ million tons in the commodities carried; while the number of third-class passengers rose from 500·5 millions to 502·9 millions. It is however interesting to notice that this was accompanied by a considerable falling off in the number of upper class passengers carried.

Financial Results.

The Railway Department, as the largest spending department of the Central Administration, naturally received considerable attention from the Retrenchment Committee presided over by Lord Inchcape. The Committee was of opinion that India could not afford to subsidise the railways; and that steps should be taken to curtail operating expenses in order to ensure both that the railways as a whole should exist on a self-supporting basis; and that an adequate return should be obtained for the large capital expenditure incurred by Government. They considered that a fair return would be 5½ per cent. In this connection it is interesting to notice that at the close of the year 1922-23 the percentage of net earnings

Retrenchment.

on total capital outlay amounted to 4·88 per cent. The main recommendations in regard to the reduction of working expenses were adopted in the Budget for the year 1923-24; and immediate steps were taken by the Railway Board to make this reduction effective.

Administration.

The machinery by which the Government of India supervises the railway system has been frequently under review in the past. It should be remembered that Government directly controls the three State worked lines aggregating more than 9,000 miles; that it is the representative of the predominant owning partner in lines aggregating just under 23,000 miles, and that it is the guarantor of many of the smaller companies. It also exercises statutory authority over all the railways in India. In the discharge of these functions, the Government of India operates through the Railway Department; and the evolution of a satisfactory machinery of administration has proved extremely difficult. As a result of the deliberations of a Committee presided over by Sir William Acworth, various important changes have been introduced into the system of organization hitherto prevailing. A Chief Commissioner of Railways has been appointed, who is solely responsible under the Government of India for arriving at decisions on technical matters, and for advising Government on matters of railway policy. He is not, as was the former President of the Railway Board, liable to be outvoted and overruled by his colleagues. A detailed reorganization of the Board in accordance with the Chief Commissioner's proposals is under the consideration of Government; but two important changes have already taken place. One is the appointment of a Financial Commissioner; the other the appointment of a Chief Mechanical Engineer. Among other important consequences of the Acworth Committee's recommendations, mention may be made of the preparation of a programme of capital expenditure amounting to Rs. 150 crores during the next five years. This proposal, which was put forward by a committee of the Legislature after a consideration of the Acworth Report, has been accepted by the Government of India and by the Secretary of State. It was originally intended that this sum should be devoted to the rehabilitation and improvement of existing lines, to the completion of lines already under construction, and to the improvement of travelling conditions of third-class passengers. But the further continued fall in the prices of railway material, coupled with insistence by the Railway Board on more adequate financial justification for the proposals of railway administrations, have resulted in a

careful reconsideration of the possibility of new railway construction

Developments.

While no final decision has yet been arrived at, steps have been taken to push on with the investigation of more urgent projects. In view of the pressing need of railway development in Southern India, the requirements of that part of the country have formed the subject of the special attention. As the result of an examination recently carried out, it has been decided to undertake the construction of two chord lines, and a branch line; as well as to proceed with a detailed investigation of a number of other projects. Second among the more far-reaching proposals which have recently been put forward in connection with railway development may be mentioned the separation of railway finance from the general finances of the country. The Acworth Committee had pointed out that the annual allotments for railway expenditure had been determined from year to year less with a view to the actual requirement of the Indian railways, than to the general financial position of India. The unhappy results of this arrangement were very forcibly demonstrated in their Report. The Legislative Assembly, when the proposal was brought before them in the first instance, reserved their opinion. But the project has recently received the official endorsement of the authorities; and the Budget of the year 1924-25 was actually framed on the assumption that the separation would be sanctioned. In the Delhi Session of 1924, the Legislative Assembly came to no conclusion; and it was resolved that the final consideration of this important matter should be deferred until September.

Railways and the Public.

During the period under review, the press and public of India have continued to manifest great interest in railway administration. This was reflected in the transactions of the Legislature. In the September Session of 1922, and the January—March Session of 1923, no fewer than 547 question were asked concerning railway matters. Public criticism of the shortcomings of the railways has also been lively. The complaints most frequently made against them are overcrowding; the travelling conditions of third-class passengers; uncivil treatment of passengers by the railway staff; and the difficulty of securing compensation for goods lost or damaged in transit. Towards the remedying of these defects

Overcrowding.

the various railways administrations are directing considerable attention. The problem of overcrowding is particularly serious. As a result of difficulties connected with the War period, Indian railways are still insufficiently equip-

ped to enable them to deal satisfactorily with all the traffic that has to be carried. The direct remedy is obviously to obtain more stock; and during 1922-23, there were additions of 82 locomotives, 540 coaching vehicles, and 5,461 goods vehicles. But unfortunately the problem of overcrowding cannot be overcome by this means alone. It is useless to equip railways with a liberal supply of stock, unless provision is simultaneously made to increase the engine power and to improve the capacity of the line in such fashion as to enable extra trains to be run. It is in this respect that the most formidable difficulties are encountered. Wherever a railway line is single, the number of trains which can be passed over it is strictly limited. Wherever gradients are heavy, there is an obvious restriction on the load of the trains. While platforms are short and yards inadequate, trains longer than those at present running cannot be accommodated. Every possible effort is being made to deal with these difficulties, which from their very nature are not easy to remove. Already important terminal stations on several railways are being remodelled. The doubling of lines is being pursued; crossing stations are being provided; suburban lines are being electrified to prevent local congestion. At the same time, efforts are being made to redress and remove the grievances of third-class passengers. Waiting accommodation and booking facilities are being improved; the water supply is being properly regulated; and conveniences in the carriages themselves are being ameliorated in all new constructions. The supply of food for passengers is being carefully investigated and special refreshment rooms are being provided at important stations. Indian Passenger Superintendents are being appointed on various lines, whose sole duty it is to look after third-class passengers and to give them information and assistance. The activities of the Railway Department in this direction have unquestionably been stimulated through the unceasing interest displayed by the Legislative Assembly. Unfortunately, many of the definite schemes of improvement which have been briefly described, have been affected adversely as a result of the economies necessitated by the Retrenchment Committee's Report. The grievances of third-class passengers are none the less the object of sustained anxiety on the part of railway administrations; and the task of remedying them is now rendered easier by the constitution of Local Advisory Councils in connection with each large railway. This step was recommended by the Acworth Committee. Institutions working on something

The Problem of the 3rd class passenger.

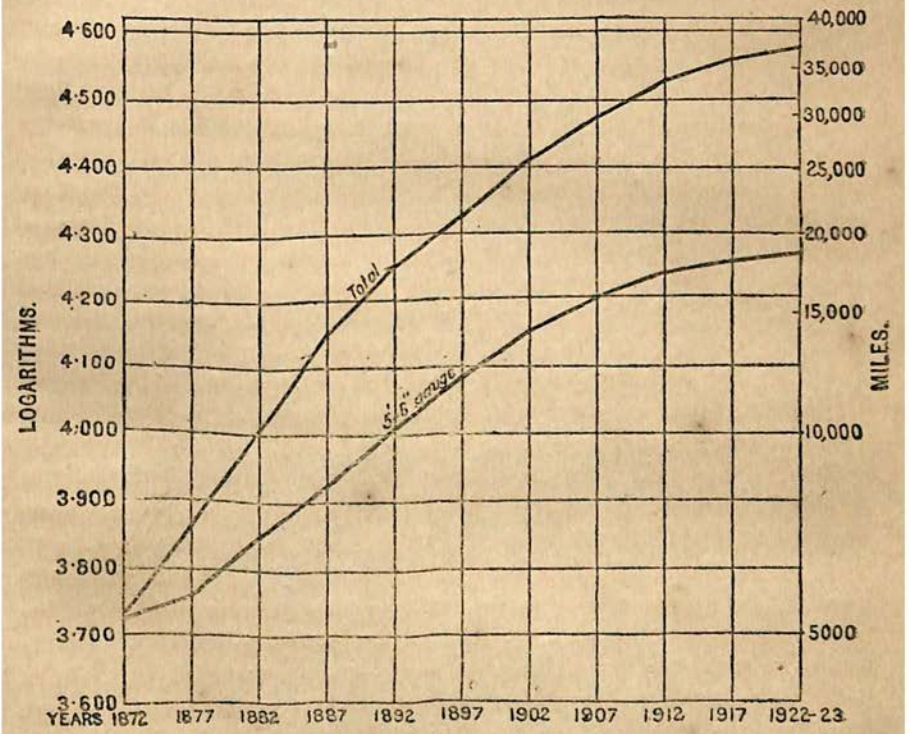
Local Advisory Councils.

DIAGRAM 14.

INCREASE IN MILEAGE OF INDIAN RAILWAYS.

(AT INTERVALS OF 5 YEARS.)

LOGARITHMIC SCALE.



Mileages of Indian Railways by gauges on 31. 12. 1872 and at the end of every subsequent period of 5 years.

like the proposed lines were already in existence in connection with certain railways; but the Committee desired to extend their scope and to press for the adoption of similar measures in respect of other large railway administrations. As a result of consideration by the Central Advisory Council, formed of selected members of the Indian Legislature, orders have been issued for the information of Local Advisory Committees on the more important railways. These bodies have been found useful in helping the Agents of Railways to keep in touch with public opinion; and in bringing to light the difficulties experienced by certain classes of those who travel.

Railway Risk Notes.

Attention has also been directed to methods of safeguarding the interests both of the railways and of the general public in regard to compensation for loss and damage of goods in transit. During the year under review, a noticeable advance was made both in the methods of preventing theft and in more expeditious settlement of claims. Schemes have been introduced for the reorganization of watch and ward, and for various forms of securing the doors of goods wagons. As we noticed last year, a committee of the Legislature was appointed to report on the revision of railway risk note forms. The recommendations of this committee involved considerable changes, which aimed chiefly at imposing on the railways the onus of proof in cases where losses appeared to be due to misconduct on the part of the railway staff. The revised forms were referred to local governments, railway administrations and chambers of commerce for the expression of views, and their introduction is under the consideration of Government.

Railway Materials.

Two other topics of general interest in connection with Indian railways may briefly be mentioned. The first concerns railway materials. A study of the figures of imported and indigenous materials purchased by the Indian railways in 1922-23 shows that the imported materials were valued at Rs. 21·69 crores, while indigenous materials only amounted to Rs. 9·17 crores. It is interesting to notice that of the imported materials, nearly Rs. 10 crores is represented by rolling stock. Until a few years ago India's capacity to supply this item was practically negligible; and is still regrettably small. But during 1922 the first articulated carriage built in India was erected at the Matunga shops of the Great Indian Peninsula Railway; while in the metre gauge carriage and wagon shops at Ajmere on the Bombay, Baroda and Central Indian Railway, facilities exist for the construction of engines and passengers and goods

vehicles entirely from raw materials. There has been a widely expressed desire among the Indian public that the opportunity afforded by the decision of Government to spend a sum of Rs. 150 crores on rehabilitation and improvement during the next quinquennium, should be utilised for the encouragement of railway industries in India; and as mentioned in last year's statement, a Railway Industries Committee was appointed on the recommendation of the Indian Legislature to advise Government in this matter. Progress in the desired direction is not entirely free from difficulty. The consideration that railways should buy their material in the cheapest market cannot, in deference to the tax-payer, be left out of account. Prices in England and elsewhere are falling rapidly, and if Indian-made materials are to take the place of supplies from abroad, they will have to keep pace. It seems unlikely that for the present at least, Indian manufacturers will be able to compete successfully with firms abroad. It is however important that the country should become gradually more independent of foreign sources of supply, if there is to be any reduction of the regrettably large amount of capital now locked up in stores. During the year under review, the Railway Department took up the question of reducing these balances, the figure of which was unfavourably commented upon by the Retrenchment Committee. At the present time the whole matter is under the examination of the Financial Commissioner.

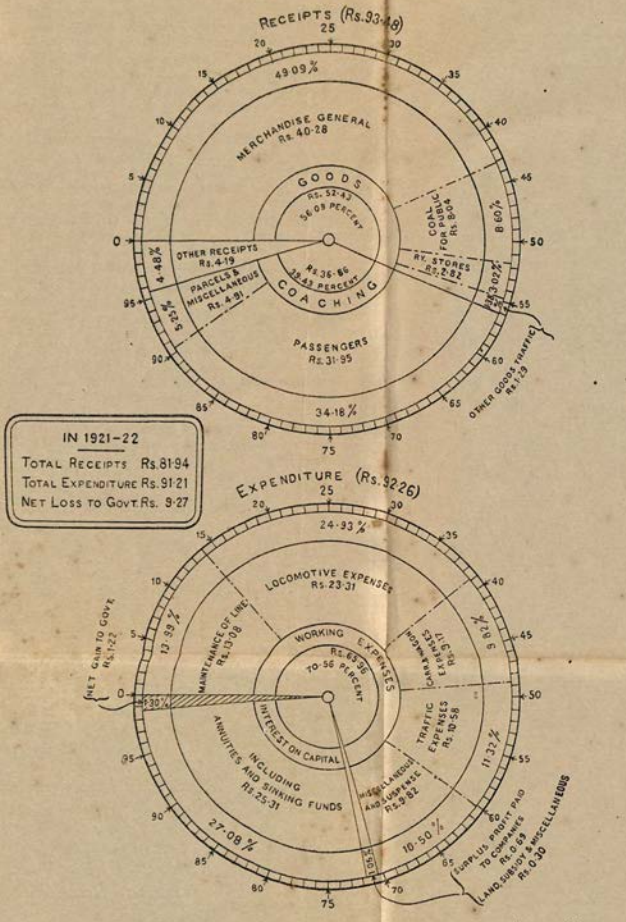
Indianisation.

The second topic of which mention may be made is the progress achieved in satisfying the demand, constantly put forward in the public press, for the Indianisation of the superior ranks of the Railway Services. At the end of the year 1922-23 there were 753,472 railway employees, of whom 734,391 were Indians, 12,201 Anglo-Indians and 6,880 Europeans. The Legislature has displayed great interest in urging upon the authorities measures to enable Indians to fit themselves for railway appointments. In the Resolution adopted in the Legislative Assembly in February 1923, particular attention was directed to the case of traffic inspectors. Railway administrations have now been called upon to make special endeavours to recruit and train Indians with a view to their becoming qualified for advancement to these posts. They have also been instructed to bear in mind the policy recommended by the Assembly, namely that in the matter of recruitment, the claims of all communities and provinces should be taken under consideration. On the State worked railways, the figures for the year under review show a considerable advance in the matter of Indianisation. Indians now comprise 24

DIAGRAM 15.

Railway Receipts and Expenditure on State owned lines in India in 1922-23.

FIGURES IN CRORES.



Rly. Bd. 18-10-23. 1400.

per cent. of the engineer (officers) establishment, 29 per cent. of the superior traffic establishment and 15 per cent. of the superior stores establishment. The corresponding percentages for 1921-22 were 20 per cent., 25 per cent and 8 per cent respectively. One of the difficulties in recruiting Indians for the superior cadres on the railway staffs is due to a lack of facilities for proper training. Extensive schemes are, however, at present under the consideration of the authorities. As a result of the investigation of a special officer, detailed recommendations for the selection and training of officers and subordinates of the traffic, civil, and mechanical engineering departments, have now been put forward. Measures have been taken, in some cases, with the assistance of local Governments, to improve existing facilities for training, particularly in the direction of mechanical engineering. It is hoped that these arrangements to meet the need of indigenous recruits for the railway service will be made more and more effective as the years pass.

State vs. Company Management.

There can be little doubt that the demands put forward by various sections of Indian political opinion for the modification in certain directions of railway policy, lie at the root of the feelings, noted in last year's statement, in favour of State as opposed to Company Management. The Acworth Committee, it may be mentioned, was divided upon this matter. But Indian political opinion is practically unanimous. Last year, the question was fully discussed in the Legislature; and it became clear in the course of the debates that political considerations were exercising a great influence upon certain representatives of Indian opinion. The accusation was freely made that the railway policy hitherto pursued had been inimical to Indian interests, and in favour of those of British manufacturers and British traders. Point was lent to the discussion by the fact that the existing East Indian Railway contract terminates on December 31st, 1924, and that of the Great Indian Peninsula Railway on the 30th June 1925. The Legislative Assembly carried a resolution recommending that both these railways should be taken under State management at the termination of their present contracts. The Government of India desired to leave the door open for handing over the management of one or other railway to an indigenous company, calculated to exemplify the benefits of company management as generally understood. This view was not however accepted by the Legislature; and arrangements have been instituted for bringing both railways under State management at the termination of their contracts.

Indian railways, like other means of communication, suffer considerably from the damage inflicted by floods during the rainy season.

Damage from Floods.

This was particularly the case during 1923, when bridges were carried away, lines were breached, and traffic seriously interrupted. In November 1923 a severe cyclone, the worst ever experienced in this area, struck the East Coast Section of the Bengal Nagpur Railway in the neighbourhood of Waltair. The main line was rendered impassable for a distance of 170 miles; the embankment being washed away in many places, bridges entirely demolished, and long lengths of permanent way carried off by the floods. It is estimated that the necessary repairs will cost no less than Rs. 23 lakhs. Temporary repairs, sufficient to pass all classes of traffic, were completed in a little more than five weeks, but they cannot be expected to stand the strain of the monsoon.

Next in order of importance in the system of Indian communications, may be mentioned Posts and Telegraphs. During the year 1922-23

The Post Office.

for the first time since 1880, there was a set-back in the growth of postal traffic. Instead of an increase, such as had been experienced for so many years, the total number of postal articles handled declined from 1,422 to 1,186 millions. The biggest decrease was under the heads letters and postcards. This was due partly to trade depression, and partly to an increase in the postal rates.

It was pointed out in last year's Statement that owing to the largely increased cost of all services, the Post Office was quite unable to pay

Financial Difficulties.

its way at the then existing rates. Since 1917, the working expenses of the Department had increased from Rs. 3·54 crores to Rs. 6·29 crores; and it became plain that unless drastic measures could be taken, a heavy annual loss would have to be faced. The Indian rates were indeed extraordinarily low; the initial Indian letter postage was exactly one-third of the initial letter-postage in England, while the average distance over which mails are conveyed in India is about five times as great as the average distance in England. Accordingly, in spring of 1922, the Legislative Assembly increased the initial rates on letters from ½ to 1 anna, and on

Enhancement of Rates.

postcards from ¼ to ½ anna. The new rates of postage were estimated to give an extra revenue of over one crore; but owing to the very heavy drop in the volume of the mail, the actual enhancement realised was some Rs. 80 lakhs. The immediate effect of the increased rates of postage which

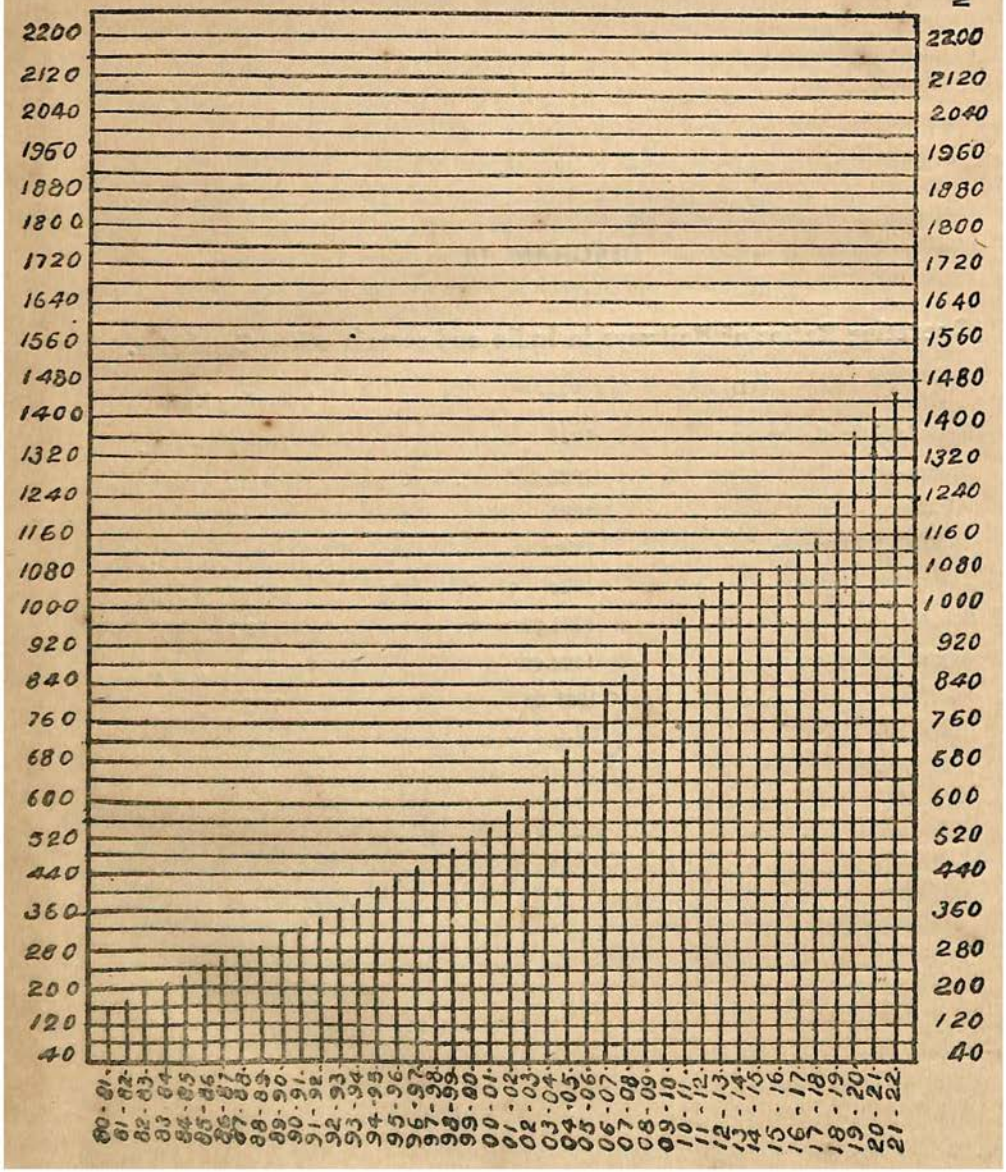
DIAGRAM 16.

Operating Ratios of Railways in India and certain other Countries.

	Year.	Operating Ratio.
United States of America	1921	100·47 per cent.
France—State Lines only	1922	115 ,, ,,
All Lines	1922	89 ,, ,,
15 English Railways	1922	80·6 ,, ,,
Tasmanian Railways	1922	91·46 ,, ,,
South Africa Railways	1921-22	82·7 ,, ,,
Argentine Railways	1921-22	74·34 to 85·20 ,, ,,
India	1921-22	76·22 ,, ,,
	1922-23	69·09 ,, ,,

DIAGRAM 17.

The Growth of postal traffic since 1880-81. All articles.



came into force from the 24th April 1922, was a very heavy reduction in the volume of the letter and postcard mail: in some offices the reduction was as great as 30 per cent. However, as the public became accustomed to the new rates, the volume steadily increased until, at the end of the year, the decline in the number of letters stood at 15 per cent. and of postcards 17 per cent. The effect of the higher rates of postage in reducing the volume of the mail was felt more in the large commercial centres than in the rural districts, where people write so seldom that the initial charge makes little difference. The net result, however, of raising the rates was that the Department was able to show a surplus of Rs. 27 lakhs in 1922-23 as compared with a deficit of Rs. 58 lakhs in 1921-22.

The Post Office and the Public.

Mails in India are transported by such means as runners, railways, horses, river craft, mailcarts, camels and tongas; but where practicable, the slower means of conveyance are gradually being replaced by motor transport. The public utilities of the Indian post office are not confined to the collection, conveyance and delivery of correspondence. In addition, it acts as the banker and agent of the people, enabling them to do their shopping from all distances; it sells quinine; it collects customs duty; it insures the lives of Government employees; and it pays the pensions of retired officials of the Indian Army. In view of all these services, as might well be expected, its activities are highly appreciated by the general public. There is an insistent demand for the opening of additional post offices; and bitter are the complaints when financial stringency compels the authorities to close those offices whose volume of business does not justify the expense of their maintenance. The postal organisation has naturally not been exempt from the general retrenchment; and during the year under review certain services have had to be curtailed.

Telegraphs.

The Telegraph Branch again showed a profit in 1922-23, its total receipts being over Rs. 3·24 crores as against working charges of Rs. 3·16 crores. The total number of inland and foreign telegrams disposed of during the year was 19·2 millions, which showed none the less a decrease of 6 per cent. as compared with the figures of 1921-22. Since the early days of 1839, when the first line was constructed in India over a distance of 21 miles, the total line and wire mileage has steadily increased. It now consists of approximately 93,000 miles of line and cable, carrying 438,000 miles of wire. At the close of the year, there were about 11,000 telegraph

offices open in India, of which more than 9,000 were open to the public. Telegraph communication with the United Kingdom was improved during the year under review, by the reopening of the "Indo" route in Karachi, Teheran and Berlin, which had been interrupted since the outbreak of the War.

Wireless.

Progress in wireless however, has been seriously affected by financial stringency. At the suggestion of the Retrenchment Committee almost all development in the Wireless Branch was indefinitely postponed; and most of the Indian Stations have been put under "care and maintenance" parties. On the other hand work has proceeded rapidly on the new high-speed continuous-wave stations at Mingladon near Rangoon and at Madras. These stations commenced handling traffic in February, 1924, being operated by distant control from the respective Telegraph Offices. The Baudot system was tested and successfully applied to this circuit—a great advance on other methods. Press messages from England continued to be received, including the British official communiqués broadcasted from Oxford (Leafield). Wireless communication is still resorted to between Peshawar and Kabul when the land-line is faulty or congested. The instructional establishment continued to do satisfactory work. The training of military personnel at the Karachi Wireless School was discontinued on grounds of expense; and owing to retrenchment, no more departmental personnel have been trained. But a number of operators and mechanics from the Gwalior and Mysore States have been under instruction. During the year under review the number of licenced stations considerably increased; and numerous certificates were issued for Wireless watchers under the Indian Merchant Shipping Act, 1923.

Imperial Wireless Schemes.

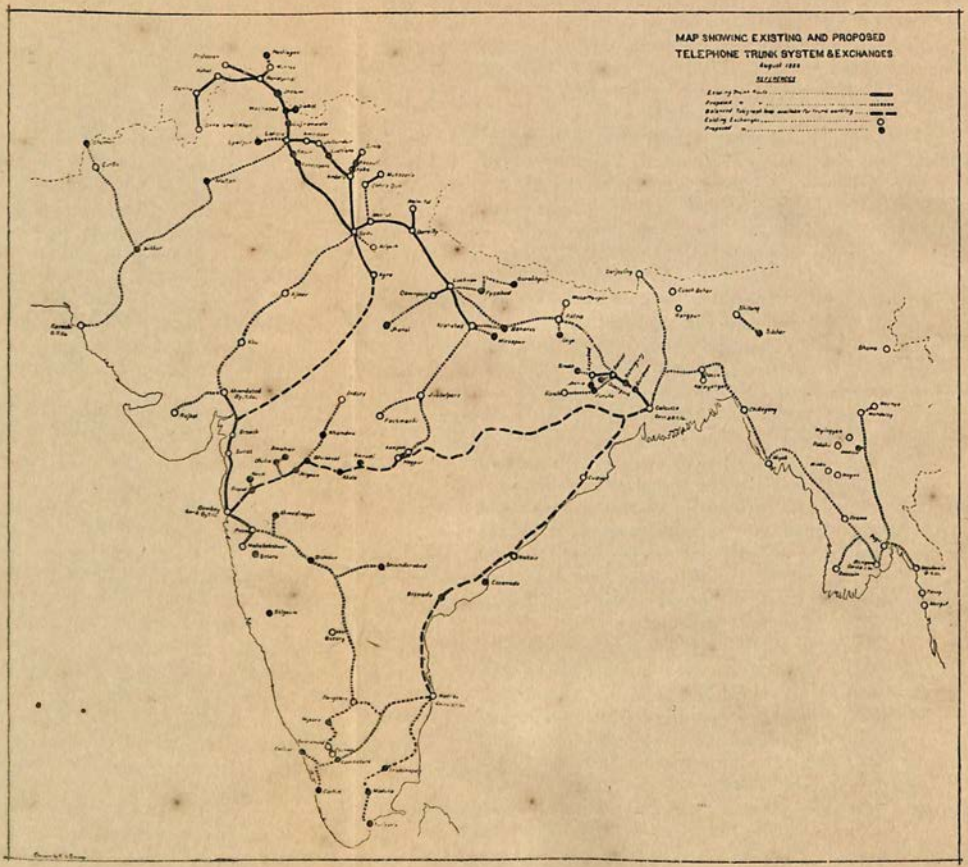
So far as the Imperial Wireless Scheme is concerned, good progress was made during this period. The conditions under which Government proposes that private enterprise shall erect and operate the Indian stations were satisfactorily settled, and it is hoped that the contract will be placed by about the middle of 1924. Little advance has been made regarding broadcasting, which in India presents certain special difficulties.

Broadcasting.

The Radio Club of Bengal, however, which was established in Calcutta during the year, was granted a licence to broadcast programmes other than news, and has been very successful. A similar organisation is on foot in Bombay.

The expansion of the telephone system is still retarded by the after-effects of the War, but better progress is now being made. On

DIAGRAM 18.


MAP SHOWING EXISTING AND PROPOSED
TELEPHONE TRUNK SYSTEM & EXCHANGES

March 31st, 1923, there were 227 exchanges with 13,320 connections owned and maintained by Government, of which 140 with 1,486 connections were private exchanges operated by the users to whom they were rented. The number of exchanges owned and worked by licenced companies was 12, with 12,590 connections. It will be apparent from these figures that in India the telephone system is still in its infancy; but existing installations are now being developed and extended, and obsolete plant and exchanges are being replaced by modern apparatus. Full advantage has been taken of recent improvements in automatic telephone apparatus; and the Post and Telegraph Department has now 13 exchanges equipped with automatic plant, while several more are in process of installation. In the case of Licensed Companies, automatic apparatus is also making headway. Both the Bombay and the Madras Telephone Companies are now beginning to employ the automatic installation. Good progress has been made in the extension of the trunk-line system. The Punjab and the United Provinces have now been linked up telephonically; and through-communication is possible between the larger towns. Communication has also been established as an experimental measure between Bombay and Delhi; and when permanent equipment is available, the Department will be in a position to provide direct speech between Bombay, the Punjab and the United Provinces. The trunk lines between Bombay, Ahmedabad and Poona, are being very largely used; while in Bengal the trunk lines between Calcutta and the coal fields have met a pressing public demand. From the financial point of view it is satisfactory to note that after allowing for ample depreciation, the telephone exchange and trunk systems show a return of 6 per cent. on the capital invested.

Telephones.

Automatic System.

Trunk lines.

Among other means of communication which in the future may play a great part in the development of India, mention must be made of aviation. Surveys of the primary air-routes Bombay—Calcutta, Calcutta—Rangoon, Calcutta—Delhi, and Delhi—Karachi have been completed; and at some of the terminal stations aerodromes have been provided, and landing grounds at intermediate points. Unfortunately the general financial situation in India has brought civil aviation practically to a standstill for lack of funds during the period under review. This is the more regrettable, since India and Burma, apart from the fact that they are on the direct line of communication to Australia and the East, are better

Aviation.

situated naturally for the development of air transport than many other countries. Meterological conditions throughout most of the year are ideal, and the difficulties arising from the monsoon should not prove insurmountable. Geographical features of themselves invite the development of aviation; since on many routes railways are practically impossible and the existing means of transport slow and cumbersome. Moreover the large commercial centres are situated at distances which conform conveniently to the speed of aeroplanes. The service between Bombay and Calcutta could be flown by night, leaving with letters after business hours, and arriving in time for their delivery next morning. This would mean a saving of two working days on each journey. Between Calcutta and Rangoon, a night air mail service taking nine hours would save nearly three working days. With all the advantages that an increased development of civil aviation is likely to bring to India, it must be pronounced a matter of extreme regret that financial stringency has prevented all possibility of substantial progress. Action is however being taken to clear the ground for rapid advance if and when it becomes feasible. Arrangements have been made by the Royal Air Force for a resurvey of the primary air routes in India, and for the compilation of up to date and reliable estimates of the cost of their establishment. Considerable progress has already been made with the surveys. In particular, examination is being directed to the question whether a sea-plane route between Calcutta and Rangoon would not be preferable to the land route adopted in the original survey. If any scheme for an air service between India and England should materialise, a demand for accelerated transport facilities between the terminal of the service and the main trade centres of India may well arise. In this contingency much of the necessary information will be provided by the surveys now in hand. One branch of aerial activity demands special mention. The late Chief Inspector of Aircraft has on behalf of the Government of Burma recently undertaken a survey of 700 square miles of forest in the Irrawaddy Delta. The survey of this area by any other means would have presented great difficulty, and the enterprise, the first of its kind in India, has been an unqualified success.

Meteorology.

In connection with the future of aviation, we may notice the important work of the Indian Meteorological Department, which, by the determination of upper air movements, is steadily preparing for the day when precise information on this matter will be necessary to safeguard aircraft and to minimise the cost of flying. The Aerological Observatory at Agra,

which had hitherto been sanctioned as an experimental measure, was placed on a permanent footing; and upper air observations were fully resumed. In view of the fact that such observations are essential in connection with gun calibration and artillery practice, the military authorities sent a number of men to the Agra Observatory for training; and are now using the apparatus and material supplied by this institution in artillery practice camps. Considerable public interest has of late been taken in the question of the issue of storm warnings to ports and shipping, in which connection we may refer to the loss of the S.S. "Okara". Investigations are accordingly being conducted as to whether the present system, under which storm warnings are issued from the Headquarters Office, is capable of improvement. In the direction of research, several memoirs have been prepared during the year. An enquiry has been conducted on the subject of the exposure of thermometers; and three valuable studies of upper air conditions, as derived from kite and ballon ascents, have been made. A preliminary examination has also been concluded concerning the relations of the weather all over the world, with the object of securing greater reliability in forecasting the monsoon.

CHAPTER IV.

The People and their Problems.

Mention has been made in previous statements of the hardships undergone by the agricultural population in the year 1920-21. Fortunately, since that time the monsoon has been generally favourable to India. In 1922, in particular, both the quantity and the distribution of the rainfall were excellent; although in the middle of the year exceptionally heavy downpours led to disastrous floods in certain portions of Bengal. The damage was increased by three days' continuous rain in September; with the result that distress prevailed in the Rajshahi division throughout the winter of 1922, and the first half of 1923. Test relief works had to be opened in various parts of the affected area in February 1923; but the highest number of persons employed on these works was 18,400. In June, however, conditions improved, and the works were closed down. In the Madras Presidency, poor harvest prospects in the Bellary district necessitated the opening of local fund works to provide employment, and the postponement of land revenue collections in certain taluks. But with the exception of these incidents, the general conditions of the year 1923 were favourable from the agricultural standpoint. As will be observed from the map on the opposite page, the 1923 monsoon was excellent, and in most parts of India the crops were good. In July and August, some damage was caused by excessive rainfall and floods in certain parts of Madras, Bengal, the United Provinces, Burma, and Assam. By September 1923, the local distress brought about by the floods had materially improved; and it is gratifying to be able to record that in the course of the calender year 1923, neither famine nor scarcity was declared in any part of India.

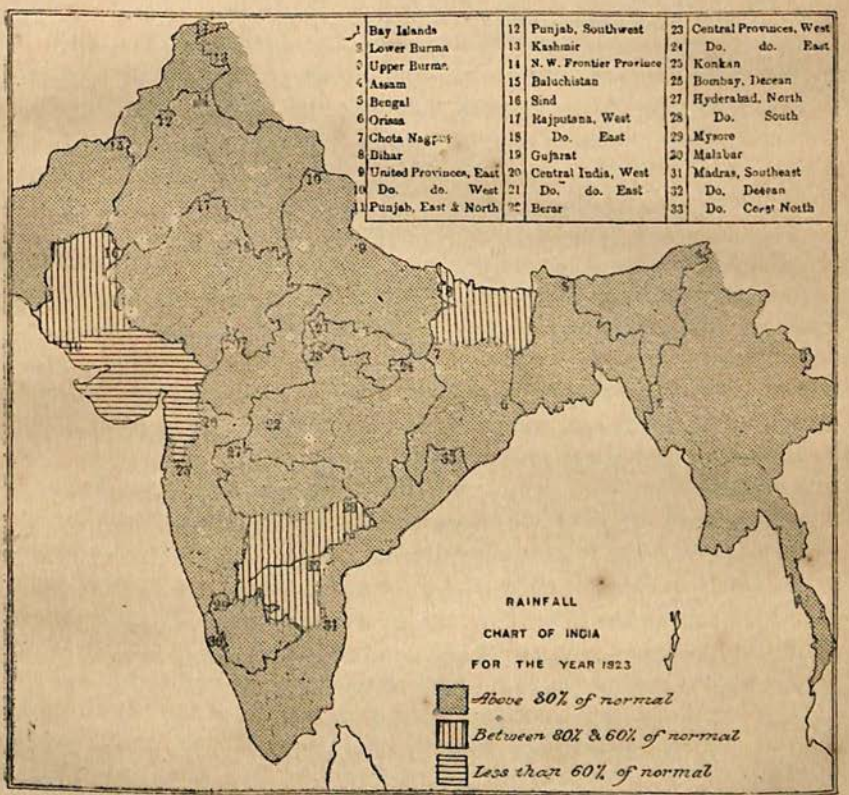
General conditions of 1923.

As a result of the excellent foodcrops of 1922-23, the price of grain has continually fallen. In December 1923, the wholesale price of cereals in Calcutta was only five per cent above their level at the end of July 1914. As a natural consequence, India's export trade in food grains has once more revived; and in the first nine months of the financial year 1923-24, about 2·36 million tons of grain and pulse were exported—an increase of 600,000 tons over the figures for the corresponding period of the previous year.

Foodstuffs.

DIAGRAM 19.

Rainfall Chart of India 1923.



There exists in certain quarters in India a popular belief that the export of food grains from the country is something to be discouraged; and the first symptom of an unfavourable year is generally the commencement of specific demands for the restriction of export. It is often stated, indeed, that the "drain" of India's food supply is among the most effective causes of the high prices which obtain in a poor season. But analysis shows that this conclusion rests upon insufficient grounds. The average net export of grain and pulse from India in the ten years ending 1918 averaged some 3·8 million tons per annum, as against a total production of food grains estimated at somewhere near 80 million tons. This small exportable surplus provides a valuable reserve, which in case of necessity can be retained in the country by temporary restrictions. Unquestionably, it was this reserve which assisted India to pull through the crises caused by the monsoon failures of 1918-19 and 1920-21. If a permanent policy of restriction were to be imposed, as certain sections of the Indian press and public from time to time demand, the exportable surplus would no longer remain as a standby in emergency; for if the cultivator were to be deprived of his export market, he would cease in time to grow the commodities which he could not profitably sell. Inevitably, he would turn his attention to cotton and to oil seeds, thus reducing the food supplies of the country, and destroying the margin against famine. We may note in passing that the cultivating interests have never been in favour of a restriction upon the export of food grains; and only acquiesce in it for short periods when a serious failure of supply drives the administration to take this step. The demand for permanent restriction comes from the towns; and seems to be connected with the theory that it is the duty under all circumstances of the country districts to provide cheap food for the urban population. So long as economic conditions do not interfere with the low price of food grains in the town markets, the demand for the imposition of restrictions upon the export trade in foodgrains is no longer heard. During the year under review, these conditions obtained; with the result that the cultivators profited by the export market, and the representatives of urban opinion made no protest.

Export Versus Restriction.

Town and Country.

Generally speaking the tendency of the year 1923 has been in the direction of a reduction in the cost of living. During the whole year, the trend has been notably downwards, thus continuing the course noticed in last year's

Cost of Living in 1923.

statement. The figure published by the Bombay Labour Office shows that the average index for the 12 months of the calendar year 1923, was 154, as compared with the standard of 100 in July 1914. This figure 154 may be fruitfully compared with the index numbers 164 for 1922 and 173 for 1921. It is now exactly at the level of 1918. During 1923 food prices also remained steady, the average food index varying between 146 and 152. Cereals stood at the same level (124) in November as in January, but rose by 8 points in December 1923, owing to a marked fall in the imports of Burma rice. The index for pulses, upon which so large a portion of the Indian population subsists, fell by no less than 42 points from 158 in January to 116 in June, and was steady at 116 to the end of 1923. Other articles of food remained at the same level at the end of the year as at the beginning ; but there was a fall of 5 points in the " fuel and lighting " group, and a fall of 6 points in the " clothing " group. But while the cost of living thus showed a tendency to fall even below the level of 1922, there was no corresponding decline in the general average of wages, which, with their usual tendency to lag behind prices, still correspond to the requirements of a more expensive epoch. There is evidence to show that both in certain industries, and in certain parts of the country, a substantial margin now exists between the real or effective wages and the present cost of living. Careful investigations undertaken by the Bombay Labour Office into the wages and cost of living of the cotton industry throughout the Bombay Presidency, show that in May 1921, the wages of men operatives in Bombay had increased by 90 per cent, while the cost of living had increased only by 67 per cent, over the 1914 standard. The real or effective wages for the men operatives of the cotton industry in Bombay were 14 per cent higher than in the prewar period. Throughout the presidency as a whole, the effective wages, after discounting the increased cost of living, worked out at 14 per cent above the 1914 standard.

Real Wages.

We may now briefly indicate certain of the principal factors which have operated to influence the conditions of the rural and urban masses during the year 1923. The excellent harvests have produced, as we have already seen, a considerable fall in the price of food grains. Throughout the year, there was ample work at good wages for the agricultural labourer, who now finds himself in a position of greater independence than he has for some time enjoyed. Indeed, from various parts of the country there have been continual complaints on the part of employers as to the high wages which agricultural labour at present exacts. The margin at present exis-

Rural Labour in 1923.

ting between the cost of living of the classes labouring for cash wages, and the figure of their earnings, has made it a very good year for them. Accordingly, there has been a conspicuous tendency towards joint action against the landlord, for the purpose of maintaining wages at the standard level, and exacting favourable conditions of work. We noticed in previous statements the history of the movements in various parts of India known as tenants' unions, or Kisan Sabhas. At the time when the non-cooperation movement was at its height, there were signs that the leadership of these movements was falling into the hands of the more lawless elements. But with the subsidence of wide-spread political agitation, the tenants' unions have begun once more to limit their activities to specially economic matters. In many parts of the country they have succeeded in exerting considerable pressure upon the landlords, for whom the year on the whole has been unfavourable, owing to the high cost of labour and the low price of agricultural produce. Skilled labour has been particularly in demand; and as the supply has been short, now finds itself in a very strong position. We must notice that rural labour works under conditions which differs very considerably from those which characterise the operations of urban labour. The general level of rural wages is lower than that of urban wages; but on the other hand, the rural labourer gets many things free for which his brother in the town has to pay. He gets a house to live in; while he is working for his employer, he gets either one or two meals a day; and in addition he often receives such amenities as a ration of tobacco. Further, his monetary income is far from representing his total budget; for even when he is not working the whole day for his employer, his food is mainly produced by his own labour and that of his family. Broadly speaking, these characteristics hold good for some 90 per cent of the total population of India.

Conditions of Work in the Country.

In the towns, however, the situation is somewhat different. The monetary income of the individual represents by far the largest proportion of his assets; and when wages lag far behind prices, great economic suffering results. Generally speaking, the urban classes are the first to feel the pinch of poverty at such times as the price of food is high. This is particularly noticeable in the case of the middle-classes. With their small fixed incomes, their large families and their increasing expenditure, they have recently passed through a very disadvantageous period. Fortunately, during 1923, as during 1922, cheap food has deprived the

Conditions of Work in the Towns.

middle class urban population of much of the painful anxiety characterising their attitude throughout previous years. But it would be a mistake to imagine that the year 1923 has been particularly favourable for them. The cost of food, clothing, and lighting, has indeed tended to decline; but the middle classes have had to pay heavy rates for such labour as they happen to employ. In India as elsewhere, these classes are usually debarred by social status from undertaking work of certain kinds. The market in which they themselves compete for employment is small and chronically overstocked; and in general they are in a far less favourable position to adapt themselves to a change in the economic situation than are the labouring classes. In these circumstances, it is no matter for surprise that the middle classes in the towns constitute the backbone of the opposition to Government. They are ever ready to voice their grievances; and their virtual control of the vernacular press enables them to become extremely vocal. The somewhat easier circumstances in which they have found themselves during 1922-23 may be reckoned among the most important causes of the decline of that wide-spread political agitation which has characterised the years immediately preceding. It is however remarkable, in view of the unfavourable economic position in which the urban middle classes find themselves, that there has hitherto been but small tendency towards combination for the improvement of their prospects. Generally speaking, the position of the town labourer is far more favourable than that of the middle-class men. During the year under review he has been able to take full advantage of the high rates of wages; while he has profited from the lower cost of living. Skilled labour in particular has enjoyed the advantages derived from high demand and low supply; while even the unskilled labourer has not found the market in which he competes overstocked. At present, both skilled and unskilled labour may be characterised, at least in comparison with Western countries, as definitely unorganised; but both are realising the power they possess of bringing their grievances before the notice of the public by strikes which interfere with the utility services.

The Middle Classes.

Town Labourers.

The problem as to whether the Indian masses are becoming poorer or richer under British rule, is one which has for long occupied the attention of public men in India. There is considerable indirect evidence as to a growing prosperity rather than to an increasing poverty. The multiplication of third-class passengers on the railways during the last decade would seem to

Conditions of the Masses.

indicate that more money is available after the bare necessaries of life have been met than was previously the case. The recently increased absorption of rupees, which three years ago threatened the whole currency of India with inconvertibility, combined with the growing employment of silver for purposes of adornment by classes of the population previously, and within living memory, accustomed to the use of brass, would seem to point in the same direction. Perhaps more important as contributory evidence to growing comfort, is the manner in which the agricultural population have recently survived both scarcity and famine. During the year 1921, the proportion of the total population which was in receipt of relief was considerably less than 3 per cent throughout the whole area, widespread as it was, affected by monsoon failure. In this connection, it may be pointed out that "famine" connotes at the present time something very different from its implication in the old days. Not so very long ago, a famine meant absolute inadequacy of food, generally arising from some natural catastrophe. It implies now nothing more than the inability of a section of the population to pay the high prices which food grains occasionally attain. Few things were more striking during the period of distress characteristic of 1921, than the fact that even the depressed classes of the population, who within living memory were accustomed in times of shortage to subsist upon seeds and roots, were able to purchase corn when the price was 4 seers to the rupee. Further, old men have been known to remark upon the change which within the last two or three decades has come over the clothing of the poorer classes. Even to-day, according to Western standards, this dress would be considered pitiably insufficient; but those observers who have long experience of the country do not fail to notice symptoms of improvement both as to quantity and as to quality.

Indirect Evidence of Progress.

Famine.

There is in addition a certain amount of direct evidence which points to an amelioration in the economic condition of the Indian masses. Any statement as to the average income per head of the Indian population must be received with great reserve; first, on account of the amazing variety of climates and conditions which characterises various parts of the Indian sub-continent; and secondly, on account of the difficulty of estimating the true economic resources of the average individual in a country of which the different parts are passing by unequal transitions from a natural to a monetary economy. Indian

Direct Evidence of Progress.

publicists often repeat the statement that the average income for all India is only Rs. 30 per head per annum. It seems certain, however, that this estimate is entirely inaccurate. It was made at the close of the last century; and then was reckoned as a minimum rather than a maximum computation. But it continues to hold ground; and indeed provides one of the indictments most frequently levelled against the Administration. Even those who are inclined to think it errs on the side of an underestimate, are generally unwilling to abandon it until such time as they shall be provided with the results of an elaborate and costly enquiry, now frequently demanded, into the average *per capita* income throughout the country. We have already briefly indicated certain considerations which would seem to imply that any such figure, however carefully estimated, would be of very dubious value. These objections do not, however, apply to statistics collected from a definite and circumscribed area, within the boundaries of which a certain uniformity of conditions is possible. Certain Provincial Governments have recently directed their attention to the collection of statistical information, the publication of index numbers, and the investigations of family budgets. Unfortunately, this valuable work has in some localities been interrupted by financial stringency; but though it is still almost in its infancy, its importance is being gradually recognised, and there is reason to hope that it may before long be taken up on an adequate scale. The results which have been gathered from investigations conducted in particular Provinces are very far from confirming the "Rs. 30" figure. In Madras, for example, the statistical branch of the Department of Agriculture has published an extremely careful estimate of the income which is earned by agriculturalists, in the form of agricultural products throughout the Presidency. It has been calculated that the total agricultural and non-agricultural income is somewhere near Rs. 434 crores. The population of Madras according to the 1921 Census being 42·3 millions, the average income per head for that Presidency works out at a little over Rs. 100. Hence, even allowing for the rise in the cost of living which has characterised the first two decades of the present century, the income of the people of Madras would seem to be on the increase. And meagre though it still is, accordingly to the standards of all Western countries at the present day, it obtains in Indian, and not in European, surroundings. We must remember that in India, where life is regulated upon a family rather

Difficulties of a "Per Capita" Estimate.

Provincial Statistical Enquiries.

Madras.

than upon an individual basis, this small figure, when multiplied by four or five in accordance with the constitution of the average family unit, provides a scale of subsistence which is less painfully inadequate than might be suggested by its actual size. Investigations pursued in Bombay have yielded results not dissimilar. The net *per capita* annual income, which is arrived at by dividing the gross income of a family (*minus* agricultural and business expenditure) by the total number of persons in the family, works out about Rs. 100, for urban localities; and for rural areas at about Rs. 75. In Bombay City itself, it has been estimated, as a result of the investigation of nearly 2,500 family budgets, that the monthly income, of an average working-class family consisting of 1·1 man, 1·1 woman, and 2·0 children, stands at Rs. 52-4-6 per month, or 17*s.* 5*d.* per week. The percentage expenditure on main heads show that of the total income 56·8 per cent was spent on food, 7·4 per cent on fuel and lights, 9·6 per cent on clothing, 7·7 per cent on house rent, and 18·5 per cent on miscellaneous. And with the fall in food prices which has taken place during the last two years, there can be little doubt that the position of this class of the Bombay population is now more prosperous than it has been for some time. But it must also be remembered that the Bombay estimates indicate that the poorest classes of the population were in 1921 compelled to spend 68 per cent of their income on food, and 15 per cent on clothing. Another 11 per cent went on compulsory expenditure of various kinds, leaving only 6 per cent voluntary expenditure, including amusements, luxuries, and even education. Further, in certain parts of the Bombay Presidency, such as the Deccan, income falls very far below the general level. Where rainfall is precarious and uncertain, and the soil shallow and poor, the income from all sources per head in a typical village has been calculated at Rs. 33·12 per annum, as against a minimum of expenditure necessary for real needs in respect of food and clothing at Rs. 44 per annum. At the same time, there is reason to hope that with the recent rises in wages and fall in the price of food, the position even in these areas has improved. The daily average wages of field labourers throughout the whole Presidency have risen from 4 annas 9 pies in 1913 to 8 annas 6 pies in 1921, and 9 annas in 1922; while in the Deccan circle, where the villages just mentioned were located, the daily wages of field labourers have risen during the same period from 4 annas 6 pies to 7 annas 6 pies and 8 annas 3 pies. The wages of unskilled labourers also show a rise,

Bombay.

Wages and Prices.

Field Labourers.

which is considerably more marked in accordance with the great demand for their services arising from factories, workshops, and new construction. For the Presidency as a whole, the daily average wages of unskilled labour in district headquarters towns, have risen from 6 annas 3 pies in 1913 to 11 annas 6 pies in 1921, and 12 annas in 1922. The rise in the wages of skilled labour reflects, as in only natural, the same tendencies in an enhanced degree. For the Presidency as a whole the daily average wages of skilled labour rose from 13 annas 9 pies in 1913, to Rs. 1-8 annas 9 pies in 1921 ; and now stand at Rs. 1-10 annas 9 pies. In connection with these wages we should remember that the cost of living throughout the Bombay Presidency now stands only at 154 as compared with the norm of 100 in July 1914. Thus while the cost of living has increased by 54 per cent during the last ten years, daily average wages have roughly doubled. An interesting parallel to this condition of affairs is exemplified in the results of the recent wages survey undertaken in a part of India whose conditions differ widely from those obtaining in Bombay, namely the Punjab. A study of the diagram on the opposite page will reveal the tendencies which have operated in the case of unskilled rural labour through the course of the period 1912-1922. It will be noticed that in the first year mentioned, the daily wage was predominantly in the region of 6 annas. By the year 1917, the time of the next survey, the predominant wage had risen to 8 annas. In 1922, there are what might be called two predominant wages, one in the neighbourhood of 8 annas and one in the neighbourhood of 12 annas. Moreover, the survey conducted during this last year reveals an increasing tendency to the development of a small group of exceptional wages, very much higher than any in existence during the two previous periods—a fact which is probably to be explained by the gradual introduction of the competitive system and the consequent disturbance of the equal value of labour. The tendencies towards wage—increase, as in Bombay, are also exemplified in the case of both unskilled and skilled labour in urban areas. The most common rate for unskilled labour in the towns of the Punjab has risen from the neighbourhood of 6 annas per day in 1912, to the neighbourhood of 12 annas per day in 1922. In the case of skilled labour, such as workers in iron and hardware, brass workers and carpenters, the average wage has risen from a figure of round about 16 annas per diem in 1912,

Unskilled Urban Labour.

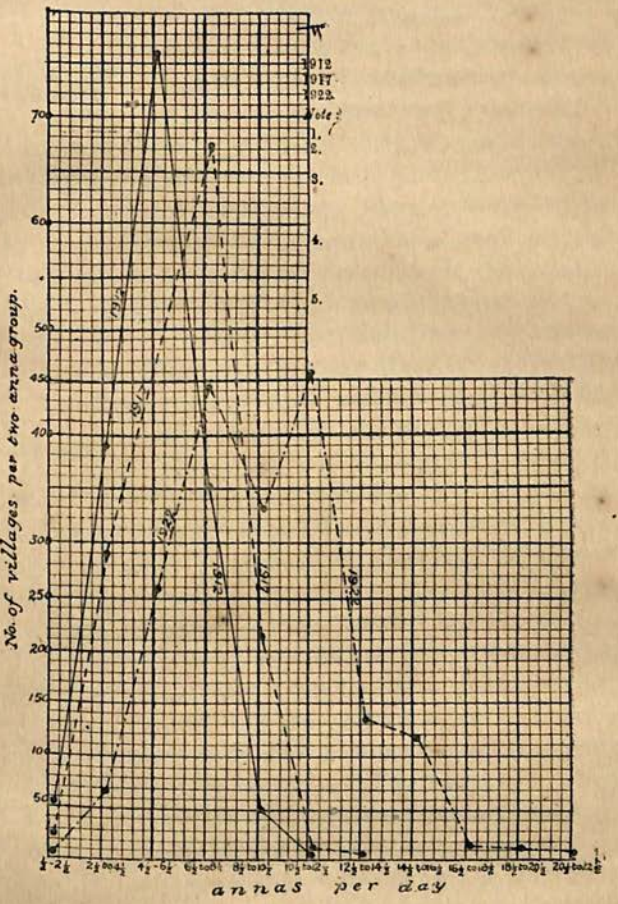
Skilled Labour.

The Punjab.

Rising Wages.

DIAGRAM 20.

Punjab Rural unskilled labour.



to between 32 and 40 annas in 1922. During the same period, the price of food grains has risen from the neighbourhood of Rs. 3 per maund to the neighbourhood of Rs. 5 per maund. It would seem therefore, broadly speaking, that the position of labour in the Punjab has, like the position of labour in Bombay, tended to improve during the last ten years.

Government and the Condition of the Masses.

But although it seems quite possible to maintain with fair degree of certainty that the masses of the Indian population, at least in some parts of the country, are gradually improving in their economic condition, it must be borne in mind that a very large proportion of the inhabitants of India are still beset with poverty of a kind which finds no parallel in the more exigent because less tropical climates, of Western lands. Such improvement as is taking place proceeds with painful slowness. In consequence, the Administration is frequently blamed for apathy and carelessness; and the backwardness of the country from an industrial point of view has long been a standing grievance on the part of the educated classes. Of recent years these classes have been demanding with greater and greater vehemence a policy of state subsidies for industry; the compilation of elaborate statistics of production and consumption; the creation of a nation-wide organization for the encouragement of agricultural and industrial development. The question is frequently asked as to why Government has not done all this; and now, when the control of industrial development has been handed over to ministers in every Province, complaints as to the inadequacy of the foundations upon which the industries of the country are to be erected, have become even more frequent. The explanation of the failure of the British Government to encourage productiveness in the manner now demanded by the educated classes is very simple. Such a programme as has been laid down by constructive thinkers of the type represented by that distinguished engineer, Sir M. Visvesvaraya, would cost for its initiation a considerable amount of money. Now the taxation which can be levied by any Administration situated as is the Government of India, is for political reasons necessarily strictly limited. It has been calculated that the figure of expenditure of the whole Governmental machine in India, including both Central and Provincial administrations, represents taxation per head which is in the neighbourhood of 12*s*. It may indeed be doubted, as Lord Selborne once remarked, whether such an economical government ever existed before in the history of the world. But in consequence, there has been

Accusations of Apathy.

Difficulties of the Position.

very little money to spare over and above the bare essentials of the administrative services. Moreover, considering the small *per capita* income which recent investigations would seem to suggest as typical of large masses of the population in various parts of t e country, it is easy to see why the taxation figure has not hitherto been expanded in such a manner as to provide funds for state aided schemes of economic development upon an extensive scale. The statement that the destruction of a poor man is his poverty, holds true of nations as well as of individuals ; and it is the poverty of India which has so far operated to prevent economic development.

Causes of Indian Poverty.

If the poverty of India were due to her administrative system, there might be some hope that the changes now being introduced into that system would lead to early and widespread improvement. But the Indian masses, so far from being ground down by the exactions of an extravagant Government, are still so situated that they can barely support the cost of an Administration which limits its functions only to the most elementary services.

India not organised for Wealth.

The real truth is that the undeniable poverty of India arises principally from the fact that the country is not organised for the production of wealth. On every side tradition and sentiment, rather than economic advantage, rule to-day as they have ruled for centuries ; exercising upon the Indian masses a cumulative pressure which is none the less crushing for being commonly unrecognised. If one asks why, after a century of British rule, the country is not organised for wealth, the answer is clear. The British found in India a society organised upon a traditional communalistic basis, in which individualism was at a discount. This system had persisted for centuries among hundreds of millions of people. It would have been difficult to disturb, even had there been a certainty in the minds of British statesmen that to disturb it was their duty. In any event the task was far beyond the resources which any Government of India organised on the present basis could hope to command. Hence it happened that while British rule provided the rare individual enterprise with unequalled opportunities for flourishing, any such sustained effort to change the whole outlook of the masses, as is involved in the schemes which advanced Indian opinion now demands, was quite outside the range of practical politics. Now that industrial development and agricultural progress have alike been transferred to Indian hands, it is possible that the terms of the problem

Tradition of Communalism.

may be altered. But the difficulties are very great. The whole Indian outlook on life is involved. It is quite permissible to maintain that the deep-lying religious sentiment which causes the vast majority of Indians to regard their present lives as relatively unimportant in the great fabric of past and future, embodies something far nobler and more enduring than the material and highly individualised ideals of the Western World. But from the point of view of the economic development of the country, such an outlook is far more of a hindrance than of a help. It will certainly necessitate many sacrifices, at which a Western mind can only guess, if India is to pay the price of a highly industrialised condition : and at the present moment it is among the principal difficulties in the way of economic progress. It condemns millions in India to a careless, hand to mouth existence, which is content with the barest minimum of requirements necessary for keeping body and soul together, and regards the effort necessary for the conquest of means to satisfy additional wants as something not worth the sacrifice involved.

Indian Outlook on Life.

Perhaps the most striking characteristic of the Indian peasant, as compared with the peasant of the West, is his lack of frugality. It is perfectly true that his resources are small; but he does not use those which he possesses to the best advantage. He inherits from his forebears nothing of the immense wealth which in Europe has been handed down to present-day agriculturalists in the form of improvements, reclamations, and working capital. In part, this is doubtless due to the fact that in India the benevolence of nature does away with those incentives which in more temperate climates have forced frugality upon the cultivator. Large tracts are so fertile that men need do little beyond scratching the soil and scattering a handful of seed. Hence millions upon millions of Indians fall readily into the habit, to which their prevailing outlook on life would seem to predispose them, of maintaining a low standard of living with small exertion, rather than of striving after a higher standard at greater cost to themselves. In addition the widely prevailing illiteracy tends to keep average production very low. This fact accounts for what seems at first sight a singular contradiction, namely the general shortage of labour of all kinds, in the midst of a population of vast magnitude. For while labour has commonly to be paid highly, according to the standards prevailing in the country, to induce it to put forward the exertion consequent upon employment, its inefficiency makes produc-

The Indian Peasant.

Low Productiveness.

tion very low. Further, to these general characteristics of the Indian peasantry, which of themselves afford a serious obstacle to the immediate improvement of *per capita* production, we must add certain permanent factors operating in the same direction. In the first place, the fecundity of India is very great; and as there are no prudential restraints whatever,

Increase of Population.

the population tends to multiply up to the very margin of bare subsistence. The number of mouths increases year by year; so that India is now supporting a population greater than any she has known before. But the means for filling these mouths are prevented, as will shortly be made plain, from proportionately expanding by the restraints of an inflexible but uneconomic tradition. Secondly, we may remember that over an immense proportion of India, the Hindu joint family system prevails. This ancient and venerable institution has many social advantages; but from the point of view of industrial progress, it is a depressing, rather than an elevating

Little Individualism.

factor. It tends to penalise the able and the industrious for the benefit of the lazy and of the incompetent. It affords accordingly little encouragement to individual initiative, for it rarely throws the individuals composing it upon their own unaided resources.

In addition to the lack of frugality which at present characterises so large a proportion of the Indian masses, we must also take into account

The Social Heritage.

certain wide-spread prejudices. Throughout India at large, manual labour is still associated with loss of dignity; with the result that whole castes avoid production, and are devoted to callings which add little or nothing to the wealth of the community. Moreover, the social life even of the poorest is apt to be characterised by what from the economic point of view can only be described as reckless dissipation of meagre resources. There is a large expenditure of an entirely unproductive kind upon festivals, marriages, and funerals. An interesting example of the handicap constituted by prevailing usage emerges from an analysis of working-class budgets in Bombay. No less than 40 per cent of the families under examination were found to be indebted to moneylenders, the borrowing being normally undertaken for marriages, funerals and festivals. In 4 per cent

Expenditure on Festivals.

of these Bombay families the expenditure on marriages alone actually represented more than the total family income of the year. In 23 per cent it amounted to one-half of the total annual income, and in 73 per cent to something under one-half. Probably in no country in the world where the average pro-

duction is so low, do the inhabitants expend so large a proportion of their resources upon social obligations. From other points of view, there is doubtless something to be said for such a practice; but in reckoning up the factors which militate against increased productivity, its seriousness cannot be left out of account. Nor is it only social sentiment which has operated to prevent the systematic accumulation of wealth both in the past and in the present. Religious sentiment must further be reckoned among the obstacles to immediate economic progress, for it prevents the consumption and production of much very valuable food. As a result of the almost universal veneration for the cow, horned cattle cannot be exploited for profit; while bones, hides, skins and other commodities of great value in the West cannot be utilised to their fullest extent. Indeed, the diet prescribed by religious sentiment for a large portion of the Indian people would be accounted in a Western country as definitely uneconomical. For example, milk and clarified butter are considered among the bare necessaries of life; but even a wealthy Western country does not use butter in the wasteful manner common in India. Large quantities of cocoanut oil are annually exported from India to Western countries, where they are manufactured into a butter—substitute which India herself is prevented by religious sentiment from consuming. Further, there is at present a great waste of available resources throughout India owing to the social tradition which prevents the employment of female labour on anything like an adequate scale. So deeply engrained in the Indian mind are the customs of segregating women and of discountenancing female labour, that it is hard for the country to realise that no advanced industrial community of the West could possibly maintain its economic standards if 50 per cent. of its population were deprived of opportunities for production. The traditional organization which runs through the whole of Indian life, also prevents the cultivators from ekeing out their resources by subsidiary pursuits. Even in advanced countries, the small holder would be hard put to it to make both ends meet if he did not devote a portion of his energies to industries such as poultry-farming, pig keeping, fruit growing and sericulture. But despite the fact that the cultivator in many Provinces of India is obliged by climatic conditions to remain idle for more than one-third of the total working days of the year, he has hardly begun to concern himself with the possibility of engaging in such subsidiary industries. His forefathers knew not these things; why should he concern himself with them?

Religious Sentiment.

Influence upon food.

Few Subsidiary Occupations.

It will thus be realised that the problem of Indian poverty from the point of view of the countryside, in which dwell all but ten per cent. of the inhabitants of India, is truly staggering in its dimensions. It has its roots in certain long-standing customs and deficiencies, which inevitably make for distress as the population increases, while the available resources are confined within traditional limits by a hidebound precedent. As time goes on, it may be hoped that increased development of these resources will gradually create a *per capita* figure of wealth sufficient for India's growing responsibilities as a nation. But unless individual initiative, combined with missionary effort on the part of the educated classes, can inspire the Indian agriculturalist with the determination to better his position, it is not easy to see what any Administration can do, save to labour for the spread of scientific agriculture, for the encouragement of thrift by co-operative machinery, and for the education of the masses up to a point at which they will themselves realise the necessity for self-help. In this connection, as we have already noticed, there are the beginnings of an awakening, in the constitution of tenants' unions and other similar bodies for the improvement of the position of the labourer *vis a vis* his employer. But such movements have not so far touched the root of the matter, which, as is made plain in the pages immediately preceding, resolves itself into the statement that the whole social system of India is designed to facilitate, not the production or accumulation of wealth, but the preservation of certain traditional ideas.

Possibilities of Advance.

Broadly speaking, the characteristics which we have noticed as typical of the masses of the rural population are true also of industrial labour in the towns. One notable feature of the present organisation of industry in India is that the workers are predominantly recruited from the ranks of agriculturalists. The Indian factory hand, like the Indian country labourer, is not really economical, despite the smallness of his wages. His output is small, not merely on account of his inefficiency but also on account of his migratory character. In most industries throughout India, no real industrial community has yet established itself. Coming from long distances as the workers frequently do, they are prone to throw up one job for another on slight provocation; and even when they remain in the employ of one concern, they often spend a substantial portion of the year cultivating land in their own village. The result is an appallingly large

The Town Workers.

Characteristics of Industrial Labour.

turnover in practically all mills and factories, accompanied by an economic loss which it would be difficult to compute. If this loss is to be avoided, and the efficiency of the workman raised, he must be encouraged to aspire to a higher standard of living, which depends, of course, upon higher wages, better housing and improved conditions. So far as the first of these is concerned, there is reason to believe that the margin of subsistence of the labouring classes is now greater than at any previous period. A recent investigation of working-class budgets in Bombay, to which reference has already been made, reveals in addition to a striking growth in real wages the fact that sums of money were regularly remitted from the town where the labourer works to the village where he has his home. This remittance averaged 3·2 per cent. of the income of the average family, and no less than 26·2 per cent. of the income of the single man.

Continuous efforts are now being made both by private enterprise and by the State to improve the housing and general conditions of labour.

Welfare Work.

In cities where Improvement Trusts exist, as we noticed in a previous chapter, considerable attention is being paid to the provision of homes for the workers. Private employers are also realising the economic advantage of undertaking housing schemes for their labourers. In Bombay, in particular, progress has been made in the provision of creches and of women doctors to safeguard the health of female employees. Even before the State came into the field, voluntary agencies had been carrying on for some years admirable work among women and children employed in industrial enterprises. In this connection the Poona Seva Society deserves particular mention. The main objects of the Society are to bring education and certain of the amenities of life within the reach of poor women. Infant welfare centres have been started, where free milk and medical treatment are available; midwives are sent out in attendance free of charge in the case of poor people. The institution is in receipt of a Government grant; but is not as well known as it deserves to be. As is generally the case with such organisations, its activities are restricted not by lack of opportunity but by shortage of supplies. There is a growing interest on the part of the general public in all large industrial centres in the health of the operatives; and organizations such as the Servants of India Society are performing a very valuable function in focussing public attention upon housing, food supply, indebtedness, medical aid, educational facilities, and the like, where ameliorative measures are urgently required.

Nor has the State been backward in this sphere. During the year 1922-23, a number of important investigations into the conditions of labour were made. In Bombay, the Labour Office published the results of two valuable enquiries. In one investigation, some three thousand working class budgets were collected and analysed, with the consequence that a large amount of fresh statistical information was made available. The second enquiry was concerned with the wages and hours of labour in the cotton mill industry both in Bombay City and in other important places in the Presidency. The period under review also saw the publication of a report of the very extensive enquiry into humidification in cotton mills which had been instituted by the Government of India in June 1921. The investigation was designed in the first place to obtain accurate observations regarding the method of humidification and ventilation employed in cotton mills, and their effect upon working conditions; and secondly to evolve recommendations designed to effect a marked amelioration of conditions without serious detriment to the industry. As a result of continuous and systematic enquiries lasting over eighteen months, Mr. T. Maloney, who conducted the investigation, was able to collect and analyse an immense mass of data bearing on temperature, humidity and chemical purity of the air; and the effect of atmospheric conditions on the health and sickness, the efficiency and fatigue of the operatives at every season of the year. In consequence of this work, definite recommendations for the control of ventilation and humidification in cotton factories were made; and it is hoped that the results achieved may lead to the solution of a very difficult problem. Increasing attention is also being paid to the welfare of woman workers. As a result of the draft convention recently adopted by the International Labour Conference concerning the employment of women before and after childbirth, detailed enquiries were instituted by the Local Governments in Bombay, Bengal, Bihar and Orissa and the Punjab. Both the Bombay and Bengal reports have been published, with the fortunate result that public interest is becoming alive to the importance of this question. In the course of the investigation, matters relating to the possibility of grant of benefits to women and of providing special medical aid for them, have been discussed very fully with the large employers of labour. There is thus every hope that apart from the value of the information contained in these authoritative reports, their preparation

State Action: Investigation.

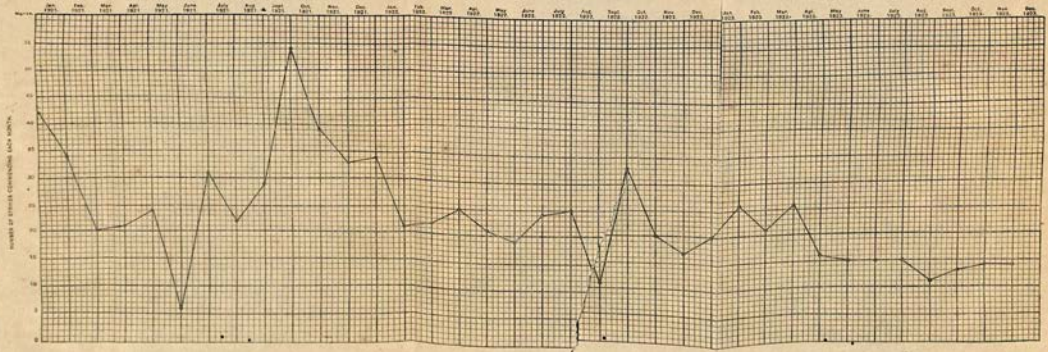
Statistics.

Humidity Enquiry.

Women Workers.

DIAGRAM 21.

Industrial disputes in India during last three years.



will lead to a direct amelioration of the condition of the women workers.

During the period under review certain Labour legislation, undertaken by the Central Legislature, came into effect. Indeed, it must be counted to the credit of the first reformed Legislative Assembly that it devoted a considerable portion of its time to this vitally important matter. Reference was made in last year's Report to the passing of the Factories Act of 1922. This involved a complete revision of the whole law relating to factories, and provided among a number of other reforms for the introduction of the sixty hour week, the raising of the minimum age of children from 9 to 12, a large extension of the definition of "factory," and the complete prohibition of night work for women. Further slight amendments in the Factories Act were made in 1923; and the Mines Act also came in for drastic revision. The chief reforms introduced into the new Mines Act, which was passed in March 1923, were the prohibition of the employment of children under 13 years, and the prevention of their presence below ground; the restriction of the hours of labour of adults to 60 hours a week above ground, and 54 hours below ground, and the prescription of a weekly day of rest; and the provision of increased penalities for disobedience of orders resulting in death or serious injury to workmen. At the same time, by an enlargement of the definition of "mine" the scope of the Act was greatly extended. But the activities of the new Legislature in matters concerning labour were not confined to the revision of existing legislation. Great advance was made in a new direction in the passing of the Workmen's Compensation Act in March 1923. The measure as finally passed includes practically all the employees in factories and mines, and on railways; it also extends to a number of other occupations, probably covering upwards of three million workers. But in view of the fact that it breaks entirely fresh ground for India, it is confined to the better organised industries and to industries involving more than the ordinary amount of risk. As will be realised from what has been said in a previous paragraph regarding the character of industrial labour in India, there are many factors which render the working of an Act of this type more difficult than in Western countries. In the first place, industrial labour is largely migratory, being agriculturist at heart. The workmen serve industry for only a portion of their lives, and expect ultimately to return to their villages which may be hundreds of milee

Labour Legislation.

The Factories Act.

The Mines Act.

Workmen's Compensation Act.

away. Secondly, the ordinary workman is not in a position to enter into expensive litigation, nor has he any organization to assist him in carrying through a protracted case. In spite of this, the tendency to litigation is more pronounced in India than in Western countries. Thirdly, it may be noticed that there is a paucity of qualified medical men. All these difficulties have been realised in the framing of the Act, which in some of its details differs widely from typical European measures designed for the same purposes. But it seems probable that experience of its working, which begins from July 1st 1924, will indicate many directions in which improvement is possible.

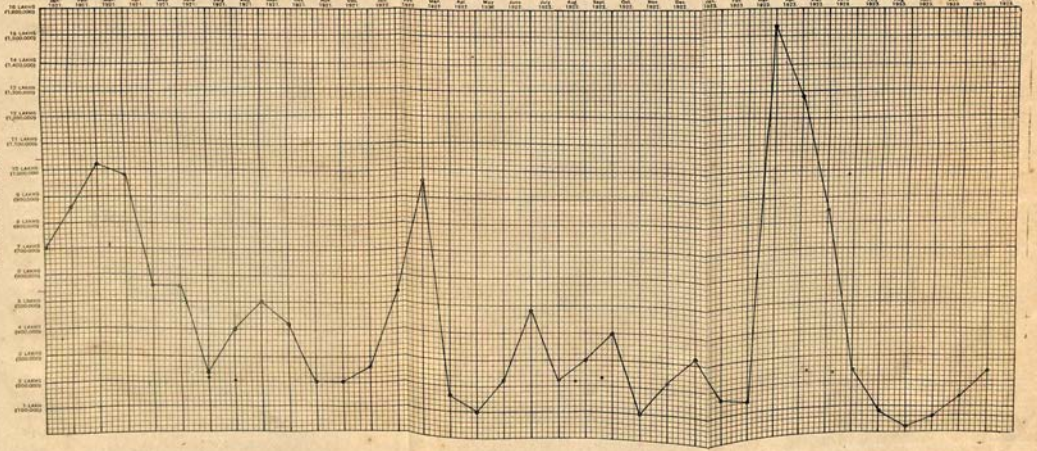
Trade Unions.

In the course of the economic restlessness characterising the year 1921, labour unions came prominently before the notice of the general public on account of the magnitude and frequency of the strikes which took place. The development of the trade union movement is largely conditioned by the peculiar characteristics of Indian labour. The Indian workman is predominantly illiterate, and has few leaders from his own class to whom he can turn for guidance. In consequence trade unionism in India has been largely led by middle-class men, professional lawyers and others, who have not in all cases distinguished between economic and political considerations. Moreover, with the exception of the unions which have been built up in the larger towns, on the railways, and in some public utility services, the majority of trade unions still bear the mark of their origin as strike committees. Very often as soon as a strike is settled, the union disappears, since it has no regular constitution or definite subscription, no system of auditing or publishing accounts, and no funds for providing help to women and children in time of distress. As a result, the progress of the trade union movement during the last few years has been disappointing. Its existence has been too much bound up with the occurrence and successful conduct of strikes. When the workers possess definite and real grievances ; and particularly when there is a marked gap between nominal wages and the cost of living, the inchoate combinations generally characteristic of trade unionism in India, are comparatively effective. But when economic stringency begins to pass away, the bond which unites the workers constituting all but the few really well organised unions in India, tends greatly to weaken. This was particularly the case during the year under review. The trade union movement in India made but little progress, and in some places received a set back. This is to be ascribed

Difficulties.

DIAGRAM 22.

Loss of working days in India during last three years.



directly to the fact that the number of strikes, and more especially the number of successful strikes, considerably declined. As a result, the interest of the operatives in the movement diminished. Numbers of unions had confined their activities to the endeavour to secure cohesion during disputes, devoting little or no attention to the construction of a permanent organization on a sound financial basis. The disappearance of such unions, or their reduction to paper organizations, inevitably followed from the general conditions of the year 1923. But unfortunately, even the better conducted unions also suffered. They were as a rule able to maintain their organisation, but their membership decreased. We must notice that there was in some areas a growth in the number of organizations, claiming the designation of trade unions. But many of these bodies were in practice little more than vehicles for the propagation of the views of those who founded them, who were unwilling or unable to undertake the difficult task of educating the workers in the principles which have secured the growth of trade unionism on sound lines in other countries. As might have been expected from the conditions of the period under review, there was a marked diminution of industrial unrest. Although the cost of living was everywhere lower than in the preceding year, and appreciably below the standard of 1921, wages which had risen generally during 1921, were not infrequently maintained at their previous level. The first important reduction took place in the Ahmedabad Cotton Mills ; and was only effective after one of the largest strikes which have occurred in India. The number of operatives involved amounted to 48,000 ; nearly all the mills remained closed from the 1st April till the 4th June ; and it was not till some weeks after the settlement that normal activity was resumed. Fortunately this was the only labour dispute of any magnitude. The total number of strikes reported during the year was 214 as against 280 in the preceding year and above 400 in 1921. The great majority of these strikes were unsuccessful. A reference to the diagrams on the opposite page will serve to illustrate the course of trade disputes in India throughout the past three years. The number of strikes has shown a fairly steady downward tendency for the greater part of the period ; and there has been a corresponding tendency to diminution in the number of days work lost. This has however been partly obscured by two large strikes—the East Indian Railway strike in the first quarter of 1922, and the Ahmedabad Mill strike of June 1923.

Little Progress in 1923.

Strikes.

International Labour.

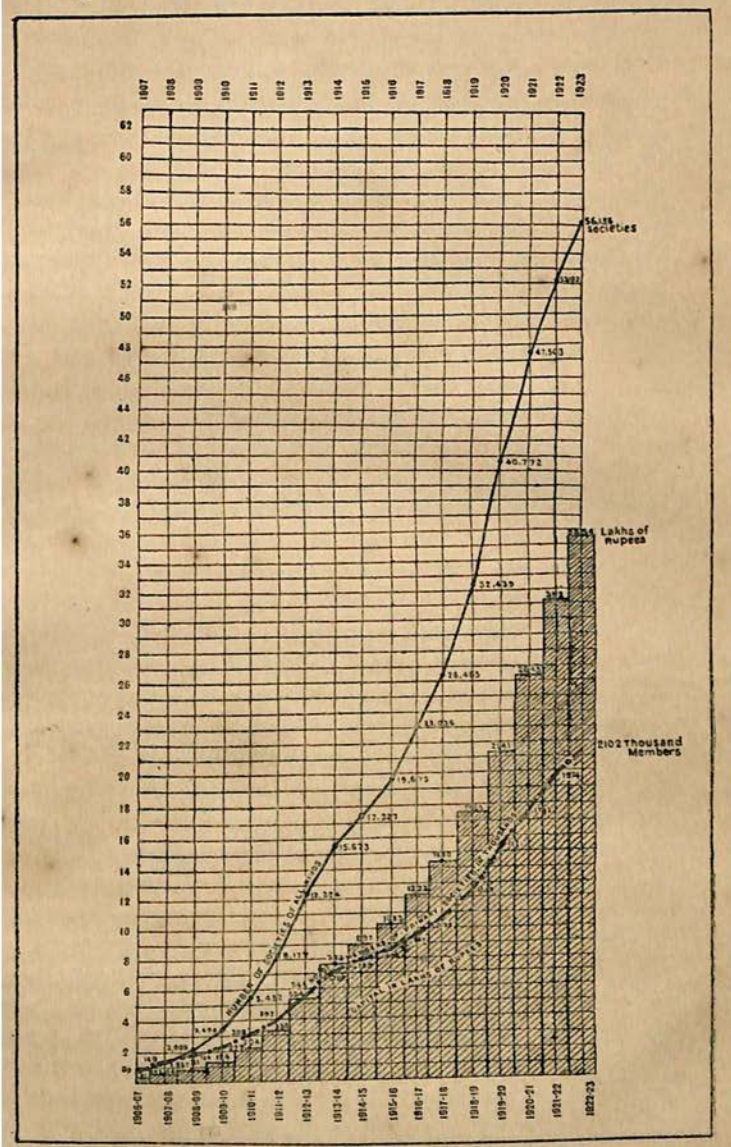
As a member of the League of Nations, India has of late been obliged to consider and take action upon various draft conventions affecting labour. These conventions have been of considerable influence in moulding the provisions of the Factories Act and the Mines Act, to which reference has already been made. A convention designed to safeguard young persons employed at sea has also been approved by the Legislature. India is now recognised as among the eight chief industrial States of the world; and her obligations from the International standpoint are therefore on the increase. During the year under review, she was called upon to take notice of the recommendation of the Fifth Session of the International Labour Conference regarding the general principles of the organization of factory inspection. This recommendation, when studied in detail, was found to conform closely to the accepted principles of factory administration in India; the great majority of the suggestions having already found a place in the law and practice in force in the country. In certain minor particulars in which the Indian system of factory inspection is not in complete accord with the recommendations, these have been brought by the Government of India to the notice of Local Administrations.

The Co-operative Movement.

From the brief survey undertaken in the earlier pages of this chapter, it will be plain that the most pressing need of India of to-day is a systematic movement for economic uplift among the masses, both urban and rural. The stimulus to such an uplift does not at present exist among the people themselves; and the Administration alone cannot do very much to encourage it. If success is to be achieved, continuous and well-directed efforts on the part of the authorities must be supplemented by an impluse towards self-improvement on the part of the masses. Probably the most powerful stimulating agency in this direction is to be found in the co-operative movement. This movement is only some fifteen years old; and the remarkable progress which it has achieved in this short time may be gathered from the diagram on the opposite page. It was originally introduced into India with the object of providing capital for agriculture; but it soon became clear that what the country really wanted was not so much capital itself as instruction in the wise use of it. As we have already noticed, there are few things more important for the economic welfare of the nation than the encouragement of thrift; but it is only lately that much attention has been devoted to the subject. Co-operative societies now place the encouragement of thrift among

DIAGRAM 23.

Progress of Co-operative Movement in India, 1907-23.



Note.—Capital is increasing faster than membership, being now nearly Rs. 169 per member, and the average membership per society is now 37. The capital is Rs. 6,331 per society.

their primary objects, rendering valuable service by the collection of small shares, by receiving deposits, and by attempting to induce members to make compulsory contributions for special purposes. Further, agricultural non-credit societies are playing an increasing part in the rural life of India. They deal with such matters as the joint sale of agricultural produce, the production and sale of implements and manures, the furtherance of irrigation projects, and the consolidation of holdings. They open dispensaries and schools; they assist the Agricultural Departments in spreading of improved methods of cultivation; they maintain communications, and they build new roads.

Its Aims.

The steady growth of public confidence in the potentialities of the movement has been well exemplified by the manner in which it has survived the troubles of recent years. During 1921 and 1922, the whole political atmosphere of India was antagonistic to the purpose and ideals underlying co-operation. Despite these unfavourable conditions, the co-operative movement continued to make satisfactory progress through the whole period. It is still only at the beginning of its career; for at the end of the year 1922-23, the latest date for which complete figures are available, there were only 56,136 societies of all kinds throughout the country. This gave for British India an average of just over 21 societies for every 100,000 inhabitants; and for the four Indian States, Mysore, Baroda, Hyderabad and Bhopal, where the co-operative system has taken root, an average of just over 20 societies per 100,000 of the population. The total all-India membership in 1921-22 amounted to 2·1 millions, and the total working capital to Rs. 3,553 lakhs, while the profits accruing from the operations of the primary societies totalled nearly Rs. 64 lakhs.

Present Development.

In certain Provinces the scope of the co-operative movement has extended to a remarkable degree. In the Punjab, for example, the Co-operative Department no longer confines itself to the provision of rural credit; but includes in its investigations all the problems that arise in the application of economics to agriculture. In collaboration on the one hand, with the Standing Board of Economic Enquiry, and the Agricultural and Veterinary Department; and with the actual cultivator on the other, it conducts enquiries into all matters affecting the welfare of the agriculturalist. Indeed, on the basis of the co-operative movement, a real school of rural economics is being built up in the Punjab. Among the more prominent of its activities we may mention the consolidation

Lines of Progress; The Punjab.

of holdings. The work which is being done in uniting the strips of cultivation scattered between different landowners in certain Punjab villages has attracted the attention of economists all over India. The chief progress has been made in the central districts of the province.

Consolidation of Holdings.

In one village, consolidated last year, the rent of the area treated is reported to have doubled; in another, 62 acres of old waste has come under cultivation as a result of readjustment. It is indeed claimed that in another area as a result of repartition, 1,750 acres of waste, which was previously tiny scattered plots, unsuitable for ploughing, has been brought under cultivation. Another gain frequently resulting from the consolidation of scattered holdings is that an owner's land can be collected round his well, so that the actual area irrigated is increased. In another direction also, the co-operative movement in the Punjab has broken valuable ground. Here as elsewhere, the ordinary village society is only in a position to finance loans for agricultural operations, which can be repaid within a year. But for redeeming the heavy mortgage debt of the Province, and the financing of big schemes of agricultural expansion, longer term credits

Banking.

are required. A commencement has been made in this latter direction by the Jhang Mortgage Bank, which Government has assisted to the extent of one lakh of rupees. Recently proposals have been made for the establishment of a Provincial Co-operative Bank to be run on purely co-operative lines. By thus pooling their resources, central banks will be able to obtain more credit than at present, while the Provincial Bank will also be in a position to deal directly with the headquarters of the Imperial Bank. By the issue of debentures it will be able to finance long-term credit, and so to fulfil the functions of the mortgage bank at present so urgently needed by the agriculturalists of the Province. A further direction in which advance is proceeding is that of co-operative marketing. The Lyallpore Co-operative Commission Sale Shops are now arranging to advance 75 per cent. of the value of all grain which is brought in. They make

Co-operative Sale.

arrangements to store grain when they are requested to do so. As a result the landowner is relieved from the necessity of disposing of his grain at an artificially low price immediately after harvesting; and can afford to wait until the price represents a fair return. He is also released from the grasp of the commission agent, to whom in return for loans, he was previously compelled to dispose of his crop for far less than its market value. The success of these commission shops may be judged from the fact that while

DIAGRAM 24.

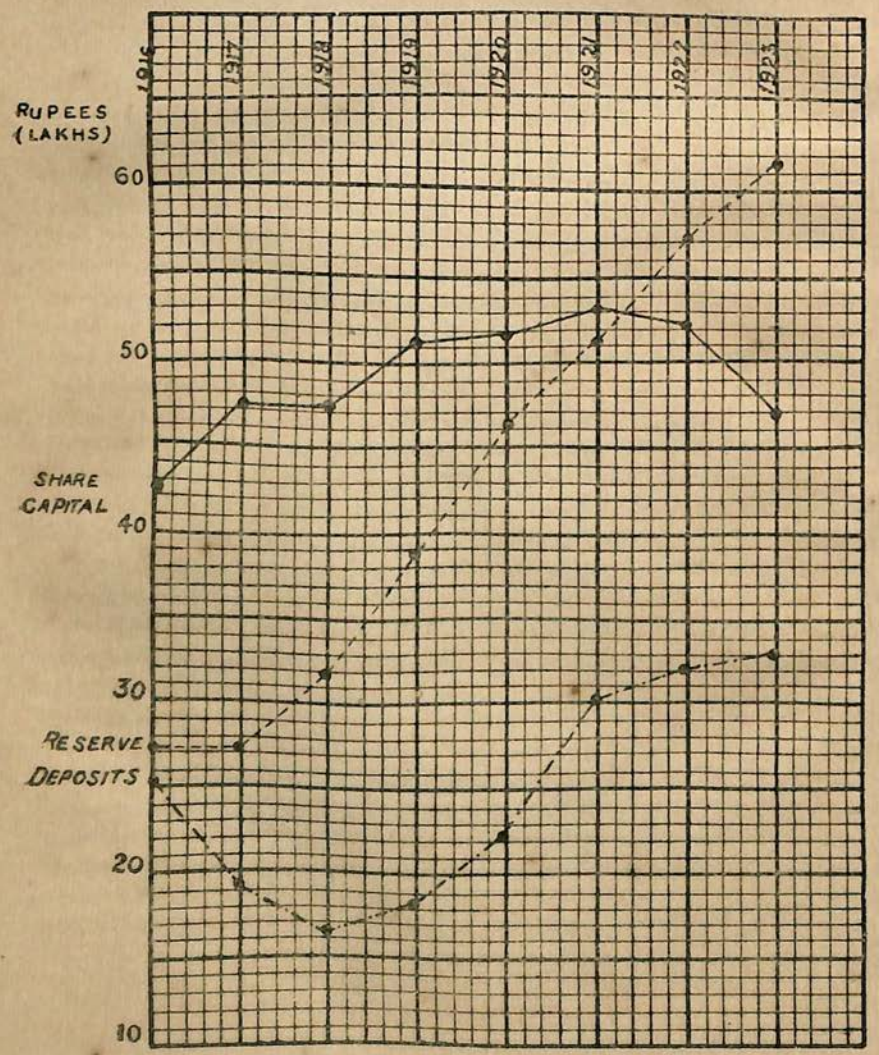
Growth of Thrift in the Punjab.

Showing share Capital Reserve and Deposit in Agricultural Societies from 1916-23.

NOTE] 1.—Deposits declined in 1918 at the crisis of the great War owing to counter attraction of war loan ; rose rapidly in succeeding years ; nearly stationary during last two years owing to lack of funds for extending movement.

2.—Steady growth of Reserve Funds.

3.—Rise in share capital as movement extended ; recent decline owing to repayments after 10 years.



sales totalled Rs. 4 lakhs in 1921-22, in 1922-23 they amounted to no less than Rs. 29½ lakhs. The general progress of the movement in the Punjab has of late been hindered by financial stringency. The present expenditure by Government amounts only to Rs. 4¼ lakhs per annum. At the same time, the number of societies has risen from 8,415 in 1921 to 9,530 in 1923. During the same period the membership has risen from 239,000 to 256,000 and the working capital from Rs. 361 lakhs to Rs. 472 lakhs. The general effect of the movement in encouraging the growth of thrift can be gathered from the diagram on the opposite page.

United Provinces.

In the United Provinces, during the period under review, the Co-operative Department was mainly concentrated on the task of consolidating the progress already achieved. Gradual and orderly development was preferred to the multiplication of new societies; and no expansion was allowed in localities where arrangements for proper financial supervision could not be ensured. Notwithstanding this, three central banks, 436 agricultural and 28 non-agricultural societies were registered during the year. In general, we may notice that transactions between central banks were reduced; a symptom of their growing independence and ability to raise capital for their own local requirements. All the central banks were required to keep adequate fluid resources to meet maturing liabilities; and those which had insufficient funds were not allowed to start new societies. Unfortunately, despite the efforts of the Department in pressing upon the banks the need of teaching societies the importance of punctuality in the repayment of loans, the arrears against primary societies increased from 18·7 per cent. to 20·7 per cent. It is recorded that non-credit societies have shown little improvement. Stores in particular suffered from lack of interest on the part of members, as well as from market fluctuation, with the result that several had to be closed. Apparently members of co-operative societies generally speaking, proved to be either unwilling or incapable of making the sustained efforts necessary to manage joint business of this kind. The progress of the co-operative movement in the United Provinces continues, on the whole to be satisfactory. Between 1922 and 1923 the number of societies rose from 5,128 to 5,500, the membership from 133,350 to 141,634 and the working capital from Rs. 144 lakhs to Rs. 161 lakhs.

Bihar and Orissa.

In Bihar and Orissa progress continues steady. The number of societies increased from 4,261 to 5,130 between 1921-22 and 1922-23. During the same period, membership rose from 136,000 to 163,000, and working capital from

Rs. 165 lakhs to Rs. 219 lakhs. At the end of the year under review, the number of societies of all kinds in existence was 5,865 ; and the growth of public confidence in the movement is proved by the increase in the total deposits held by various central banks and societies from Rs. 63 lakhs to Rs. 88 lakhs. The older of these bodies have now reached a stage of great financial stability, numbers of them obtaining all the deposits they want within their own areas, without assistance from the provincial banks. The last four years have shown a steady decrease in the number of societies classed as "bad." These now stand at less than 10 per cent. of the total as against 16 per cent. in 1919-20. Co-ordination between the Co-operative Department and other Departments of Government, especially that of Agriculture, continues to improve. Nearly all central banks and unions have commenced the distribution of improved seeds and manures among members of their affiliated societies. In some cases these operations, of which the importance will be obvious, are assuming large dimensions. Another hopeful indication of progress is the constitution of Divisional Development Boards, consisting of representatives of the Co-operative, Agricultural, Industrial and Veterinary Departments, together with non-officials who take an interest in this work. A committee has been appointed by Government to consider the future supervision of the movement, and the amount of State aid required.

Bengal.

In Bengal, the total number of societies of all classes rose during the year under review from 6,679 to 7,822, an increase of no less than 17 per cent. The total membership rose from just over 260,000 to just under 293,000 ; while working capital increased from 368 lakhs to Rs. 433 lakhs. The Provincial Co-operative Bank enjoyed a year of great prosperity, the working capital rising from Rs. 25 lakhs to Rs. 34 lakhs, and deposits received from the public rising from Rs. 38 lakhs to Rs. 87 lakhs. The co-operative irrigation movement made good progress during the year ; and several interesting schemes have been carried out through the initiative of the members. The number of milk societies has increased ; and they have succeeded in obtaining an assured position through their excellent management. Here as elsewhere save in the Punjab, the stores movement showed few signs of progress, and indeed experienced some instances of failure. Among other movements worthy of notice may be mentioned the increase of anti-malarial societies ; the rise in the number of weavers' societies ; and the advance made by the co-operative movement among fishermen. An attempt is now being made

to introduce methods of co-operative disposal; and the importance of fisheries societies, as the best available means of educating the fishermen and improving the industry, is now well recognised. We may also notice that the Bengal Co-operative Organization Society continues to bring out its two periodicals, besides publishing a number of pamphlets. Proposals are now on foot for the formation of Divisional Boards, with a view to bringing representatives of village societies in direct touch with the activities of the Central Body, and in fostering the development of village leadership. The information bureau attached to the Co-operative Department issued weekly bulletins to all societies of prices obtaining in the Calcutta market; while the Departmental museum proved of great assistance to industrial organizations in arranging for the supply of their requirements.

Madras.

In Madras, the number of co-operative societies continued to increase, primary societies standing at 6,514 in 1923, as against 5,494 in 1922. During the same period, membership rose from 328,000 to 374,000. Societies of all descriptions rose from 7,389 to 8,443, despite the fact that the work of weeding out bad societies was continued. The total working capital rose from Rs. 601 lakhs to Rs. 711 lakhs. The confidence of the general public in the soundness of the movement may be gauged from the fact that out of the total capital employed of Rs. 359 lakhs, no less than Rs. 253 lakhs was derived from the deposits of individuals, chiefly non-members. The movement has also made gratifying progress among the depressed classes, whose membership increased from 42,000 to 52,000 during the year. Much attention was devoted to the work of consolidation. The Departmental Inspectorate staff was divided into two branches, one attending only to the audit of societies, and the other to general organization, supervision and administration. Statutory rules were framed providing that all societies which accept deposits and loans should provide fluid resources, and that all societies should render certain annual statements in prescribed forms. The policy of bringing more and more primary societies under non-official supervision was continued. Societies which were working badly were reconstituted, and the activities of those who were becoming moribund were stimulated. The attitude of the general public continued to be very cordial. A Provincial Co-operative Congress was held at the beginning of the period under review, and there were six successful district conferences.

In Bombay, a Province where co-operation has of late flourished exceedingly, the total number of societies rose from 3,411 to 3,533 between 1922 and 1923. Membership increased from 327,000 to 335,000, and the working capital from Rs. 435 lakhs to Rs. 533 lakhs. There is still great room for expansion, as will be gathered from the fact that only 11 per cent. of the total number of agriculturalists who occupy Government land in the Presidency are members of credit societies. The advantages of the movement are however being increasingly perceived. From Sind, for example, it is reported that members of co-operative societies have altogether stopped their dealings with the village money lender. The local co-operative society shows signs of becoming the village rendezvous, where members meet and discuss matters of common interest. Local disputes and factions are brought to arbitration; and collections are made for works of public utility. A stimulus has been lent to the development of agricultural co-operation by the constitution of Divisional Boards. Much attention has been devoted by these bodies to non-credit societies; and constant endeavours are being made to encourage the growth of co-operative marketting and sales societies. This movement, which in all countries has been one of the later developments of co-operation, is but just beginning; and it is estimated that the present activities must be multiplied by about thirtyfold before the co-operative movement can be considered to have fulfilled its responsibilities in this direction. Cotton sales societies are already flourishing; and special societies dealing with the sale of miscellaneous grain, areca nut and chillies are beginning to show an increased turnover. But perhaps the most striking characteristic of the co-operative movement in Bombay is the recent development of co-operative banking. The movement has set before itself the aim of erecting, in every considerable town and in every district, banks which will help the artisan, the small professional man and the small trader; and which will at the same time, by popularising credit and the instruments of credit, abolish the present difficulties of conveying money from place to place. In view of the widespread illiteracy of the cultivator, which so greatly impedes progress, it is probably at present of the first importance to spread modern banking facilities through co-operation as rapidly as possible; and thereby prepare and arm the people for the new era of commercial agriculture into which they are already beginning to enter. Already considerable progress has been made. Three years ago, the central banks, including the Provincial

Bombay.

Co-operative Banking.

Bank, were 14 in number with a working capital of Rs. 65 lakhs. They are now 20 in number with a working capital of Rs. 169 lakhs. During the same period, urban banks have increased from 15 to 31, while their working capital has risen from Rs. 53 lakhs to Rs. 112 lakhs. The use of cheques is now being introduced and has already reached the considerable figure of 23,000, to the value of more than Rs. 6 crores. Compared with countries like the United States, or even the British Isles, where deposit banking and the use of cheques have been familiar for generations, these figures will of course appear insignificant. They do however represent substantial progress in increasing the money in circulation in the country, and thereby the wealth available at any moment. More important still, they stand for a real advance towards greater familiarity with modern business methods. Government has realised the importance of this development, and has given encouragement to the cheque system by exempting cheques issued by members of societies from stamp duty up to the value of Rs. 20. The Imperial Bank has also assisted in the same direction by agreeing to cash the cheques of district central banks, and of certain selected primary societies. Overlooking all the branches of co-operative enterprise throughout the Bombay Presidency is the Central Co-operative Institute. Four branches of this now exist, for Bombay City, for the Deccan, for the Carnatic, and for Gujarat. Training classes are held for college students and for the public, for honorary organizers, and for bank managers, for secretaries and for other workers paid and unpaid interested in co-operation. Good progress is being made in the publication of vernacular literature and in the popularisation of the principles for which co-operation stands. Regular programmes of inspection and lecturing tours of propaganda and instruction are organized; a co-operative quarterly magazine is published; and educational work, particularly in the direction of night schools is fostered.

Use of Cheques.

Among the lines of progress to which organized effort such as that embodied in the co-operative movement is already beginning to contribute, is one most necessary to the well-being of the Indian people, namely, sanitation. In previous Statements mention has been made of the difficulties with which sanitary reform in India is beset. If one may argue from the analogy of Europe and America, the necessary preliminary to any satisfactory advance in this direction is the growth among the educated classes of a missionary and humanitarian spirit which will lead them to

Sanitation.

consecrate time, money and energy to the task of ameliorating the conditions in which their less fortunate brethren live. Hitherto, in the face of widespread popular apathy, the meagre resources of Government have been able to accomplish but little. The problem is in the first instance educational, but the terms in which it is stated are so enormous that its solution is necessarily slow. A great change has to be introduced into the general ideas of the Indian people regarding hygiene; and the change is rendered more difficult by the fact that these ideas are intimately connected with religious and social customs. India can never be safeguarded from a heavy death rate, punctuated by disastrous epidemics, until her people can be weaned from their tenacious adherence to social observances which are as diametrically opposed to public health as they are to economic prosperity. With an increase in the receptivity of the educated classes to new ideas, and with the slow amelioration of the social and economic status of the masses, it should be possibly eventually to remedy India's backwardness in sanitary matters. But so revolutionary a progress cannot be accomplished in a day. The poverty of the Indian masses is a complicating factor; but it is far less serious as an obstacle than their social heritage. Diseases are still generally attributed to the wrath of heaven; and when sickness occurs, the Indian's first impulse is to propitiate offended deities rather than to disinfect his water supply, and to prevent the contamination of his food. Throughout town and country alike, even elementary sanitary knowledge is conspicuous by its absence; and until the value of fresh air, pure water, and wholesome food, can be appreciated by the Indian people, no real progress will be possible. It is in the Indian home, and particularly among Indian women, that a better knowledge and a keener appreciation of the elements of domestic and personal hygiene are most urgently required. For it is in this sphere that the old forces of tradition, and the innate conservatism of the people, combine to exercise their strongest opposition to the introduction of new and more healthful practices.

Special Difficulties.

Any radical amelioration of the sanitary condition of India requires two principal postulates. In the first place, the administrative agency must enjoy popular confidence, and must proceed along lines in conformity with the prevailing mental processes of the people. In the next place, this agency must supply the driving force necessary to overcome the dead weight to age-old inertia. So far as the first essential is concerned, it is probably in a fair way to be realised through the transfer of sanitation to

Conditions of Advance.

popular control. But the second requisite is still lamentably to seek in India. The number of Indian public men who have devoted their time, energy, and enthusiasm, to the improvement of the lot of their countrymen is comparatively small. During the last ten years, it is true, much has been done to improve the sanitation of the larger towns; but financial stringency has of late been responsible for failure to maintain progress. The opening up of congested areas, and the replanning of cities on better lines, are peculiarly difficult in India; for their expense is a very serious consideration in a poor country; and they meet with unenlightened opposition from those in whose interest they are mainly designed. Further, the sanitary activities of a municipality are not as a rule appreciated by the general public. The commonest regulations designed for the improvement of public health and public convenience frequently bring upon the heads of those responsible for them a heavy burden of unpopularity, for no other reason than the fact that they interfere with traditional habits and methods of livelihood. Such interference, even for the most benevolent of objects, with deep-rooted customs, is bitterly resented; with the result that sanitary regulations are as a rule proposed with timidity and enforced without zeal. In the matter of rural sanitation which affects the lives of some 90 per cent. of India's millions, very little has been accomplished. The average Indian village, as it has been said, is as a rule little better than a collection of insanitary dwellings situated on a dung-hill. Towards the improvement of these conditions, cooperation is already accomplishing something. The reformed local Governments are also directing attention to sanitary measures, and to the prevention of epidemic diseases. In Bengal, for example, every District Board save one, now possesses a fully qualified health officer, under whose guidance a large amount of useful work has been initiated. Local bodies in general are devoting increased energy to sanitation; but their efforts have been handicapped by financial difficulties. Public attention is, however, being gradually aroused to the importance of the whole matter. Organised propaganda work is commencing in rural areas through magic lantern lectures, concert parties, informal talks with villagers, and the distribution of pamphlets and leaflets prepared by the Public Health Departments. Perhaps the happiest augury for the future is to be found in the increasing attention now devoted to public health work in the more advanced Provinces by voluntary agencies.

Obstacles to Sanitary Reform.

Urban.

Rural.

In Bengal, for example, there are some 90 anti-malarial societies in the existence, which in addition to their primary function of malaria prevention, undertake valuable educational work among the masses for the encouragement of more hygenic conditions.

Among the most pressing problems of India's health is that presented by the appalling infant mortality. It has been calculated that every year no fewer than 2 million Indian babies die. Indeed, although birth registration is still too inaccurate to make precise figures reliable, it may be stated with confidence that one in five, or perhaps even one in four, of the infants born in India die within the first year of life. In crowded cities, particularly industrial cities, the rate is even more lamentable. Fortunately, both administrative and voluntary effort is being increasingly directed to the necessity for remedial measures. The Infant Welfare Movement, which owed much to the All-India Maternity and Infant Welfare League initiated by Lady Chelmsford, has made excellent progress under the patronage of Lady Reading, who, during the year 1923, inaugurated an All-India Baby Week, with the object of educating Indian mothers in the better rearing of infants, and in the reduction of infantile mortality. The exhibitions, the lectures, and the baby shows which took place in this connection, in all the most important centres of India, have done very much to arouse public interest. Most hopeful sign of all, must be counted the fact that Indian ladies are beginning to take up the work of child welfare. In this sphere, we may again refer to the labours of the Poona Seva Sadan. At its headquarters, child welfare work is being conducted upon highly practical lines. Further, the efforts of the National Association for Supplying Female Medical Aid to the Women of India continue to produce good results. This organization is supported by the authorities, and now receives a subsidy of Rs. 3·7 lakhs from Central revenues. The Countess of Reading has initiated a scheme for training Indian nurses and doctors in larger numbers, which should do much to improve the situation as time goes on. But the magnitude of the field of child welfare work in India is such, that despite devoted labour from many quarters, the problem is still scarcely in a way to solution. If any appreciable reduction is to be made in the mortality of young children, work on a scale hitherto without precedent must be undertaken.

Child Welfare.

"Baby Week."

Of immediate bearing upon the progress of sanitation in India is the advance of medical research. Throughout the year, financial

stringency has continued seriously to hinder developments in this field. The appointments of Director of Medical Research and Epidemiological Statistician under the Central Government, have had to be held temporarily in abeyance. The activities of the Indian Research Association have had to be curtailed, and certain enquiries terminated for want of funds. The Association has none the less continued to conduct important investigations into such diseases as kala azar, malaria, leprosy, relapsing and typhus fevers, among the other epidemics with which India is afflicted. The School of Tropical Medicine and Hygiene in Calcutta, which owes its inception to Sir Leonard Rogers, has continued to do excellent work. It is now fully equipped to discharge the duties for which it was established; and investigations into hook-worm and kala azar, bowel disease, leprosy, and certain other complaints of frequent occurrence in the tropics, are being conducted.

Medical Research.

Closely connected with the problems of sanitation, in many of which are involved the customs and habits of the people, is the question of social reform.

Perhaps in few spheres of human activity have the democratic ideals encouraged by the War proved of more benefit than in the impetus they have afforded to social reform in India. The more characteristic problems of the country may be said to centre round the institution of caste. Originally concerned with the preservation of ceremonial purity in social relations, the caste system has in course of ages developed into an institution which assigns inexorably to each individual his position and his duties in the structure of orthodox Hinduism. The essence of its working is that a Hindu is not affected by anything which is done outside his caste; thus not merely individuals but whole classes of humanity, are separated, as it were, into watertight compartments; and some of them are subjected by immemorial tradition to degrading disabilities at once hereditary and inevitable. Indeed among the most difficult aspects of the whole problem is the elevation of the depressed classes, or so-called "untouchables", who form more than one-fifth of the entire population. At present large numbers of them are obliged to reside, in conditions of almost animal squalor, beyond the purlieus of cities and villages. They may not draw water from public wells, they may not enter the houses of people belonging to the touchable classes, and in some Provinces they may not even use the public streets. They are denied the use of temples and inns; their

Social Reforms.

The Depressed Classes.

children are not customarily admitted into the ordinary schools; and when admitted, are made to sit apart from others who would be polluted by their mere touch. These disabilities though primarily social, extend to the minutest operations of daily life; so that a labourer or agriculturalist belonging to the depressed classes is constantly a loser in ordinary commercial operations through his inability to enter a shop or even to pass through a street where shopkeepers dwell. Social ostracism so degrading, persisting through immemorial centuries, has naturally constituted a most serious obstacle to manliness, independence, and capacity for self help. In consequence, millions of people exist in conditions so insanitary that it is not easy even for the most liberal-minded members of higher castes to think of them in terms of equality. But what stands most in the way of the depressed classes is the social tradition observed by the great majority of the caste community. In theory many of the most galling disabilities under which the outcastes labour have already been removed by legislation or by administrative enactment. But in practice they persist; and they will not disappear until the social sense of the whole Indian people advances to a level at which these heritages from a more primitive age will be recognised as a slur upon the good name of the community at large. In this connection, it is important to notice the gradual awakening of the public conscience in the matter of untouchability. The injunctions which Mr. Gandhi gave to his followers concerning the necessity for the elevation of the depressed classes, may well be ranked by the future historian as among the most fruitful consequences of his remarkable campaign. His influence unquestionably served to arouse wide-spread interest in this grave social problem. In the course of the year under review, the Hindu Maha Sabha, after a protracted discussion, unanimously passed a resolution removing from the untouchables the ban in regard to schools, public wells, meeting places and temples. Whether it will be possible to give early effect to this pronouncement remains to be seen. But it is at least highly significant that a body so representative of orthodox Hinduism should definitely commit itself to the furthering of ideas which, but a few years ago, would have seemed too heterodox even for discussion. We may also notice that shortly after the close of the period with which we are now dealing, a Satyagraha campaign was inaugurated within the boundaries of an Indian State, under the direction of certain of Mr. Gandhi's disciples, for the purpose of demonstrating the right of untouchables to proceed along a certain

Awakening of the Public Conscience.

road, from the use of which they had previously been debarred by caste Hindus.

The philanthropic work which is now gradually being undertaken by voluntary agency for the uplift of the depressed classes, is being reinforced by organised self-assertion on the part of these classes themselves. Of late, their economic position has improved. They are beginning to cast their eyes beyond the immediate surroundings of their daily toil; and resentment is replacing the acquiescence of centuries. Particularly in Provinces like Madras, where caste restrictions are still all-powerful, conferences are now from time to time held which are widely attended by representative members of the depressed communities. The proceedings of these meetings reveal a fixed determination towards political, social, economic and moral uplift; combined with a steady resolve to resent the invasion of those natural rights to which as human beings they consider themselves entitled. There is much plain-speaking concerning the unsanitary habits and the educational backwardness which prevent the depressed classes from rising in the world. These conferences though primarily social and economic, are not without their political bearing. Generally speaking, there is a strong feeling of gratitude towards the existing Administration on account of its impartial treatment of all classes, and its sustained efforts to assist those whom the caste system would condemn to hereditary degradation.

Class Consciousness.

Indeed, the problem of the depressed classes has for long been occupying the attention of Government. Everything that can be done by legislation has been done; and so far as the letter of the Law is concerned, there is nothing to prevent a member of these classes from rising to the highest position open to any Indian. Systematic efforts have been made to encourage the spread of cooperation among them, and to give them the benefit of increased educational facilities. In many Provinces, special scholarships are provided for them; allowances are made for the purchase of books and other educational requirements; and stress is laid upon the right of the outcastes to participate in the educational machinery by which their more fortunate brethren have for so long profited. The consequence of these efforts is now apparent. Although the proportion of depressed class pupils is still infinitesimal in view of the size of their community, the numbers under instruction are everywhere rising. In this benevolent work, voluntary agency has been particularly active. The work of the various Christian missionary

State and Voluntary effort.

societies is beyond all praise. Not only have they established a large number of schools for the education of the depressed classes, but in addition, they have resolutely insisted that pupils from this social stratum shall be admitted side by side with members of the higher castes into colleges under missionary control. By this means a body of public opinion has been created which recognises that the depressed classes have a claim to be treated as fellow human beings. Excellent work is now being carried on by a number of societies other than Christian in their inspiration.

Lower Castes.

The gradual change which is coming over the position of the depressed classes is also beginning to affect the status of other ranks above them in the social scale. The traditional weakness of the lower castes is disappearing; they are beginning to recognise and to avenge social tyranny. As has been pointed out in previous Statements, the lower castes in one Province, namely Madras, have taken advantage of the Reformed Constitution to assert themselves against the ancient intellectual oligarchy of the Brahmans and to seize political power in their own hands. The full significance of an event so momentous can hardly be estimated at the present time, but its influence upon the progress of India towards democratic institutions must necessarily be profound. It seems scarcely too much to say that the first bulwark of caste dominance in political matters has been carried by assault.

Social Conferences.

During the period under review, various important social conferences were held. In November 1923, the All-India Social Workers Conference met in Bombay. A number of important resolutions were passed, dealing with the training of social workers; the co-ordination of social work; the uplift of the depressed classes; the reclamation of criminal tribes; the social evil; and public health. A very significant resolution was that which called upon the universities of India to organise general courses of lectures on community—life and social work; and to provide opportunities of theoretical training for social workers. Next month, the National Social Conference was held at Poona under the auspices of the Liberal Federation. This meeting dealt more specifically with the encouragement of social reform among the Hindu community. It deliberately recorded its opinion that the caste system constitutes a serious obstacle to the growth of industrial, social and political life, and as such is antagonistic to national unity. It also endorsed the principle of the removal of untouchability; of inter-caste marriage; of the abolition of early-

marriage; and of the education of women. It further emphatically protested against the continuance of such anti-social customs and practices as wasteful wedding expenditure, excessive dowries and the system of the seclusion of women. Resolutions even more radical in form were passed in the same month by the All-India Social Conference, which was held at Cocanada under the aegis of the Indian National Congress. The Presidential address contained some very plain speaking as to the artificial and ceremonial purity encouraged by orthodox Hinduism at the cost of true physical and scientific cleanliness. The problem of the depressed classes was dealt with in language equally forcible; and resolutions declaring that the caste system must be abolished; that untouchability must cease; that educational facilities must be extended to women; and that injurious marriage customs must be done away with, were carried with enthusiasm. The task of translating these and other resolutions into practice is, as will be realised from what has already been said, of the utmost difficulty; but it should not be forgotten that an advance of some importance has been made when the acknowledged leaders of Hindu thought commit themselves so uncompromisingly to the principle of radical reform.

The social problems of India are by no means confined to the lower castes, or to the depressed classes strictly so called. There are certain communities known as criminal tribes, whose hereditary occupation is crime of one kind or another, burglary, highway robbery or even assassination. Towards the uplift of these unfortunate beings, who are a positive danger to the community as a whole, the Administration has for long laboured. Criminal tribes are concentrated into settlements, managed either by Government or by some such organization as the Salvation Army. Here they are reclaimed, subjected to kind but firm supervision and assisted to gain a decent livelihood. Perhaps more important than all from the point of view of their ultimate reclamation from the attractions of their hereditary pursuits, is the system which has been adopted of influencing the younger generation. Special efforts are made to teach skilled trades to boys and to young men; to find them employment; and to enable them to become self-supporting and self-respecting members of society. With the adults, all that can be done in most cases is to restrain their tendencies towards hereditary crime by keeping them working at some honest occupation under strict but kindly supervision.

Criminal Tribes.

In addition to the problems we have already mentioned, there are certain specific characteristics of Indian life which are particularly

repugnant to the social reformer. For example, the seclusion of women behind the parda, which is semi-universal in the middle and upper classes of society, operates as a great drag both upon the economic and educational progress of India. Fortunately, the last few years seem to have witnessed a steadily increasing emancipation of Indian women from the restrictions under which they have for centuries laboured. They are now displaying growing interest in political and social questions; are assuming increasing prominence on the platform; are showing much zeal in the cause of temperance, infant welfare, and other philanthropic activities. Increasing numbers both of Hindu and Muslim ladies now mix in society under the cover of the veil; while at political and social gatherings, the number of seats reserved for women is on the increase. But progress is very slow; for the parda system is considered fashionable; and no sooner does a class of society which has not hitherto observed this custom rise in the economic scale, than the seclusion of women is gradually introduced as being something which is a hall-mark of respectibility. Greater progress is being made towards the amelioration of certain other features of Indian life to which the reformer takes exception. The conscience of the public is now gradually awakening to the serious implication of the early age of marriage generally prevalent; and the year has witnessed certain attempts to introduce legislation for the remedy of the more obvious evils. The movement for the re-marriage of widows is also making steady if slow progress; and a number of voluntary societies, such as the Hindu Widow Reform League of Lucknow, are engaging in unostentatious but philanthropic work. The magnitude of this problem may be gauged from the statement that in India there are probably at the present time more than 300,000 Hindu widows under the age of 15 years.

The Parda System.

Marriage and Widowhood.

In the preceding pages a brief outline has been given of some of the more characteristic difficulties which attend the social reformer in India. We must now briefly consider two problems almost universal in their scope, the problem of drink and the problem of drugs. The problem of drink as visualised by Western reformers is almost unknown in India, save in those few places where heavy concentrations of industrial workers occur. This is largely due to the fact that in the majority of the communities which make up the Indian people, indulgence in strong drink, unlike indulgence in intoxicating drugs, is severely reprobated. But the per capita figure of

The Drink Problem.

consumption for drugs as well as for liquor is very low. The excise revenue per head, including what the State derives from both sources, varied in 1922-23 from 5 annas in the United Provinces to Rs. 2-4 in Bombay. Between these two extremes came 7 annas in Bihar, 8 annas in the Punjab, 10 annas in the Central Provinces, 12 annas in Assam, and Rs. 1-3 in Madras. During the year 1922-23 there appears to have been an appreciable decline in excise revenue in almost every Province in India. In the majority of instances the Local Governments are now taking drastic steps to decrease consumption. There is also a strong anti-liquor movement which has increased in vehemence as a result of the non-co-operation campaign. During the year 1921-22, as was noticed in a previous Statement, the unregulated zeal of prohibitionists was responsible for two consequences, neither of which was calculated to advance the real interests of temperance. In the first place, the attacks which were made upon those who took any part in the trade in licit liquor, drove much of the consumption underground. Illicit liquor flourished; and in almost every Province, prosecutions for the breach of excise regulations increased enormously. The difficulty was enhanced by the fact that sources of illicit supply are far more accessible in India than in any European country. In many districts liquor can be had from almost any palm tree, with no more skill than is required to cut an incision, and with no more apparatus than a knife and a toddy-pot. As a result of the boycotting and picketting of liquor shops, certain classes of the population in several provinces joyfully betook themselves to prohibited sources of supply. Moreover, in the second place, the political associations of the non-co-operation campaign led to the prevalence of distorted views even in the matter of temperance. The idea spread that Government creates and fosters a demand for drink, which would cease automatically if the State were only ready to forego the Excise Revenue. The fact that Government steps in to regulate consumption hardly seems to have been considered. The real policy of the State, as it is hardly necessary to say, is that of maximum revenue from minimum consumption. Every care is taken to minimise temptation for those who do not drink, and to discourage excess among those who do. Government intervention indeed, operates to regulate both the quality and the quantity of the liquor consumed——quality by the prescription of a certain standard of strength, and quantity by the levy of still-head fees which the consumer ultimately pays. Since excise is now a transferred subject, the

Influence of Non-Co-operation.

Government Policy.

reformed Local Governments have been put into a position to place a heavy duty upon licit spirits. It is yet too early to say whether the raising of the retail price to a high figure will not defeat the ends in view by increasing the production and consumption of inferior illicit spirits. In this connection, reference may be made to a very interesting experiment now being carried out in Bombay. An attempt has there been made to reduce consumption of country liquor by strict limitation of the quantity that might be sold, in addition to employing the methods previously enforced. For the nine months April to December 1922, the quantity of liquor which might be sold in each shop was reduced by 10 per cent. in Bombay, and by 5 per cent. in the mofussil, below the sales of 1920-21. For the 15 months January 1923 to March 1924, the quantity was further reduced below the 1921-22 figure by another 10 per cent in Bombay and 5 per cent in the mofussil. The consequence of this policy was remarkable. The total quantity sold was less by half a million gallons than even the reduced total permissible. This was however accompanied by quite unprecedented increases in the use of illicit liquor in areas where it could be obtained without much difficulty. Cases of illicit distillation and sale and import rose to 2,884 from 1905 in the previous year. There was also a remarkable increase, amounting to no less than 2·8 million gallons, in the consumption of toddy. A heavy strain was thrown upon the Preventive Department; and with all their efforts they were unable to cope effectively with the illicit distiller and importer. It also seems clear that excise crime is continuing to increase; for the returns of illicit distillation and possession for April 1923 show 481 cases as against 309 in the corresponding months of 1922. An Excise Committee appointed by the Bombay Government has lately published a report which shows no weakening in the determination to extirpate the drink evil. The report recommends the adoption of total prohibition as the declared goal, and drastic proposals are being put forward for the achievement of this end. It is needless to say that the Bombay experiment is being watched with close attention throughout India. Should it succeed, a great impetus will be supplied to the propaganda of those who maintain that it is within the power of Government to make India " dry " by legislative enactment. It seems however plain from the results already achieved, that the process, should it prove to be practicable, will be attended by very heavy expenditure upon preventive staff, as well as by difficulties far greater than are generally recognised.

The Bombay Experiment.

While the drink problem has excited considerable attention in India during the period under review, the problem of drugs, and particularly of opium, has engaged the notice rather of external critics. As we have already mentioned, the consumption of opium excites but little reprobation in India, provided that its use is not carried to immoderate lengths. Indeed, the whole position of opium, in particular, is so different in India and in Western countries, that there is grave danger of the situation being obscured by the well-meant efforts of philanthropists who have no first-hand knowledge of Indian facts. Broadly speaking, the opium position is in outline like this. The soil of most parts of India will produce the opium poppy; and the people of the country had habituated themselves for many centuries before the arrival of the British, to the consumption of this drug in small quantities. They connect it, and in some measure justifiably, with medicinal properties. They have used it from time immemorial on certain ceremonial occasions. They cannot and will not be broken of the habit suddenly. The total consumption per head per annum only amounts to 26 grains; for opium is rarely smoked in India, but is employed as a household remedy, and on certain occasions as a refreshment. As in the case of drink, the policy of Government is to control the trade in such a way as to ensure its most effective regulation, and to prevent it from passing into the hands of the type of persons, with which it would readily, if uncontrolled, become associated. For over a century, the authorities have been engaged in the gradual acquisition of control over the production, transit and sale of the drug throughout the continent. This has been done by the practical concentration of the cultivation, so far as British India is concerned, within restricted areas; by the discontinuance of cultivation in many Indian States as the outcome of negotiations; and by the inclusion of the different Provinces in the general system as the necessity for regulation became manifest. The success of this policy is proved by the fact that while the revenue from opium steadily rises, both production and consumption steadily decline decade by decade. Enhanced prices and restricted supplies are causing opium to be used less and less for ceremonial hospitality or for personal indulgence; and are tending to restrict its consumption to purposes more strictly medicinal. A typical example of this process is found in the figures for the Madras Presidency. In 1911-12 the consumption of opium was 42·6 thousand seers, producing to the State a revenue of Rs. 0·13 crores. In 1920-21 the consumption

Drugs.

Opium.

Government's Policy.

had declined to 36·2 thousand seers, while the revenue had risen to Rs. 0·26 crores. It must further be remembered that since the introduction of the reformed system of Government, the consumption of opium in India has been controlled by Indian ministers in every Province save Assam. The statement occasionally made by ignorant critics, that Government is forcing opium down the throats of a reluctant people, corrupting souls and ruining bodies for its own selfish purposes, has thus not even the merit of plausibility. Indians themselves are now fully empowered, if they so desire, to restrict the use of opium in their own country. There is still, it is true, a certain amount of smuggling from the Indian States into British India. But the Indian States are now steadily coming into line; and legislative measures necessary to give effect to the provisions of the International Opium Convention have now been brought into effect in many of them. It must however be clearly realised that apart from such arrangements may be entered into with the Indian States under treaty obligations, the Government of India has no means of enforcing upon them any policy of suppressing or restricting the cultivation of opium.

Popular Control.

The policy of Government so far as the consumption of opium in India is concerned must be counted definitely successful; but the world in general is far more interested in the export of Indian opium to other countries. Here again, there is considerable misapprehension of the real position. It is forgotten that India is only one of the four great and several small opium-producing countries of the world. Of these Persia and Turkey stand outside the Hague Convention altogether; while China, for whose emancipation from the drug evil India sacrificed a former revenue of £4 million per annum, now produces something like 80 per cent of the world's crop. The fact is that from the year 1915, the Government of India has continuously pursued the policy of endeavouring to supply opium direct to the Governments of consuming countries. As a result of steady perseverance, India now sells roughly three-quarters of her total exports of opium direct to responsible Governments. And it is important to remember that as regards the balance of approximately one-quarter, the control of the importing Government remains absolute and unimpaired. No obligations are imposed to take a minimum quantity. The Government of India, so far from pressing its opium on any country, does not allow opium to leave the ports, unless the Government of the territory to which the con-

Opium Export.

Rigid Control.

signment is going certifies that the opium so to be exported is required for legitimate purposes. India indeed exports no opium to any country which prohibits import; she exports no opium in excess of quantities which the government of the consuming country desires to admit; and she has in practice voluntary placed limit on exports from India irrespective of what the particular demands may be. She does not now, nor has she at any time, exported dangerous drugs such as morphia, heroin, cocaine and the like, to America, as she has not infrequently been accused of doing. Further, India has loyally and faithfully carried out the provisions of the Hague Convention; in which particular her conduct might well serve as an example to many other countries interested in the opium traffic. That there is considerable misconception regarding her true attitude has been apparent from time to time. It is only with difficulty that she has been able to make her position clear before the League of Nations. At its first session, the Assembly of the League had recommended the appointment of an Advisory Committee to make suggestions regarding the more effective execution of the Hague Convention. At the second session, the committee proposed the appointment of a board of enquiry which would investigate and report on the quantity of opium required for strictly medicinal purposes; and thus enable the League ultimately to restrict the cultivation of opium to this amount. The Indian Delegates lodged a protest, in that the recommendation took no account of the fact that in several countries the usage of centuries sanctions the employment of opium in circumstances which traditional empiricism fully justifies. They further pointed out that India was the one important opium-producing country which had rigorously observed and even improved upon, the recommendations of the Hague Convention. The Indian view was that the more effective observance of the terms of the Convention should for the present be the object of the League's efforts, but if any enquiry were to be launched, its scope should be defined so as to include all legitimate usages of the drug. In a meeting of the Assembly of the League of Nations in 1923, the matter came up once more. The representatives of India on the Opium Commission at Geneva found it necessary to put forward the reservation that the use of opium according to the established practice of their country was not illegiminate under the Convention. Indeed in view of the customs of India, it is difficult to see what other attitude they could have assumed.

Misconception of India's Attitude.

The League of Nations.

From many points of view it appears plain that the problems discussed in the preceding chapter may be grouped round one single central issue, which is education. Only if the ideas of the people can be enlarged, and their outlook extended beyond the narrow bounds in which tradition at present confines them, does it seem possible for India to develop the energy necessary for the attainment alike of economic and political well-being. Failing such a change, the masses of the population must continue poor and ignorant; the women-folk must remain for the most part consumers rather than producers, adding little either to intellectual or to material wealth; the progress of sanitation, and the conquest of disease must be indefinitely postponed. In short, without a widespread system of education of a kind adapted at once to her capacity and to her needs, India cannot hope to realise those aspirations towards nationhood which are at present cherished by her educated population.

Importance of Education.

The most obvious features of India's educational position at the present moment are two. In the first place, much remains to be done before the instructional machine can be placed upon a broad and substantial basis. In the second place, the control of this important nation-building work has now been transferred to Ministers responsible to the Legislative Councils. In the pages that follow, we shall briefly indicate in some detail the implications of these two facts. To take first the defects in the present educational structure. A study of the diagram appended to this page will show that out of the 247 million inhabitants of British India, less than 9 millions are at present being educated. In other words, considerably less than 4 per cent of this vast population is under the influence of instruction. In the primary school, which must constitute the very foundation of any sound educational structure, scarcely 3 per cent of the population is enrolled. As might be expected from these figures, the prevalence of illiteracy is general. According to the census of 1921, the number of literates in India was 22·6 millions, composed of 19·8 million males and 2·8 million females. In other words, only 122 per mille of Indian men, and 18 per mille of Indian women can read and write. These figures reveal a slight improvement since the census of 1911, when the respective proportions were 106 per mille for men, and 10 for women. On the other hand, the position in regard to secondary education is somewhat remarkable. No less than 0·5 per cent. of the total population is under instruction in secondary schools. In view of the fact that the

The Present Position.

Primary Education and Illiteracy of Masses.

DIAGRAM 25.

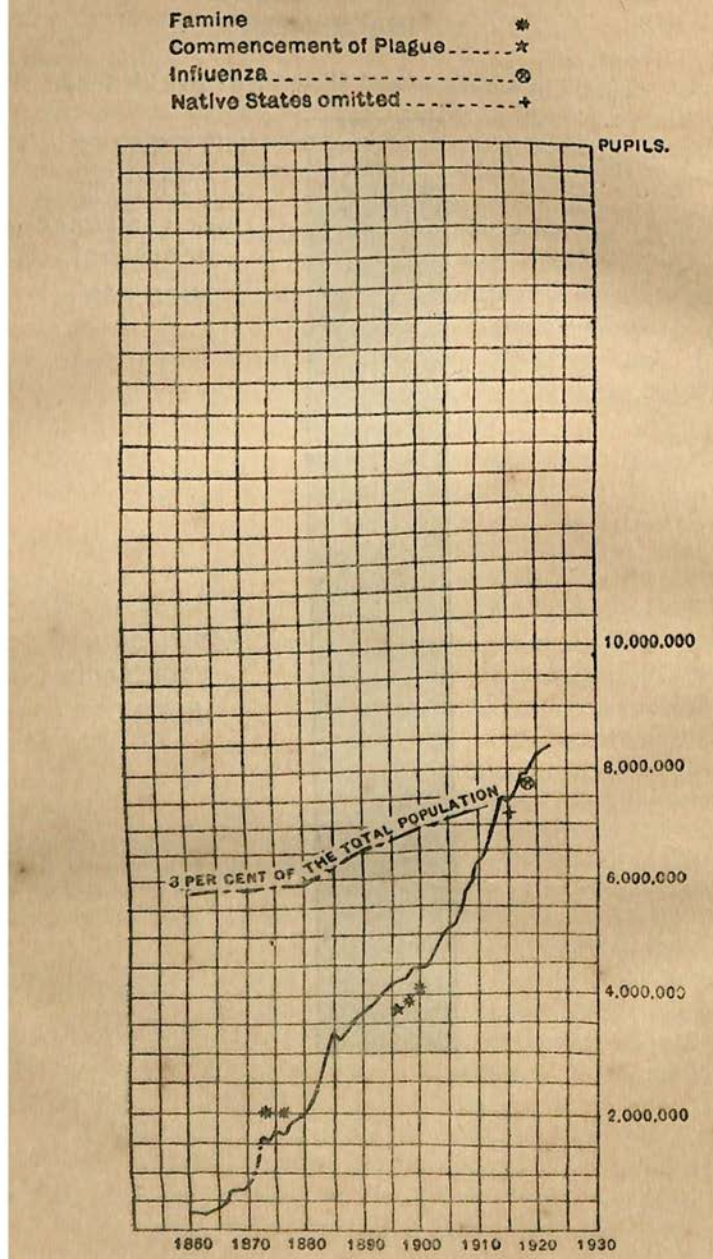
Totals of Literates and Illiterates : British India.

LITERATES
18·6 Million
[each square represents 1,000,000]

ILLITERATES
[each square represents 1,000,000]

DIAGRAM 26.

Total number of pupils under instruction in India.



female population can almost be excluded from the calculation, this is a proportion far greater than the corresponding figure for England and Wales. Still more striking are the figures of university education, where the percentage of the population undergoing instruction is no less than 0·027 per cent. Since again females are almost negligible in the reckoning, this figure compares strikingly with the 0·089 per cent of England and Wales.

Secondary Education.

University Education.

It thus appears that the structure of Indian education is ill-balanced, for while the poorer classes are predominantly illiterate, the middle classes are educated in a proportion equal to that of countries whose social and economic conditions are more highly developed. This remarkable characteristic has impressed itself upon the kind of education generally fashionable. The middle class parent has emphatically demanded for his children a literary type of instruction; because he looks forward to their enlistment either in Government employment, or in the legal profession. Vocational training, which has recently been advocated by many Indian educationalists, has not so far attained great success. There is difficulty in filling the classes; and until opportunities for the employment of such training in later life become more frequent, it is doubtful whether the predominantly literary type of instruction will be seriously challenged in secondary schools Primary education in addition to being unsatisfactory in quantity, is also defective in quality. Investigations show that the majority of children in primary schools are under instruction for between 3 and 4 years only; and for the greater portion of the time, four out of every five linger in the lowest class. In consequence, there is a tendency to lapse into illiteracy after the short period of instruction comes to a close.

An Ill-Balanced Structure.

It is plain therefore that if national education is to be placed upon a solid foundation, the first and most vital task is an attack upon illiteracy. This problem, however, is complicated by factors peculiar to India, some of which have been briefly remarked upon in foregoing pages. Among these may be included the poverty of the masses, the inadequate condition of communications, the persistence of certain traditional ideals at present regulating human intercourse throughout the country, the conflict of communal interests, and the chasm between urban and rural life. These factors have broadly speaking operated to prevent the growth of a desire for education among the masses of the community. Another serious difficulty is constituted

The Problem of Illiteracy.

by the financial position of the country. As will be seen from the diagram on the opposite page, the total expenditure on education in India is still under Rs. 20 crores. This sum, while representing a fraction of the public resources of the country which compares not unfavourably with the proportions devoted by other lands to the same purpose, is quite inadequate to the calls made upon it. Moreover, owing to certain peculiarities of Indian life, there are difficulties of laying it out to the best advantage. For example, no Western country has found it possible to carry through a mass-programme of popular education without the employment of a predominant proportion of women teachers. In India, for reasons noticed elsewhere, the assistance of women is not usually available. Equally serious are the difficulties to which the village school is exposed. The social conditions of the country discourage men of trained intellect from returning to the moffusil and from influencing the masses in the direction of education. Further, the religious organizations of India do not offer to educated men the same opportunities of social work and influence as fall to clergymen in the West; nor is there the same scope for the Indian medical graduate in the village as exists for a practitioner in the English countryside. Finally the Indian landowner does not ordinarily proceed to a university, and if he does, he rarely spends the remainder of his life upon his ancestral estates. There is thus a tendency for the village teacher to remain isolated, deprived of the stimulus of contact with minds more fully developed than his own. And throughout the whole educational structure there is a marked absence of the honorary services and personal interest of the wealthier and better educated classes, who throughout the West have done so much to increase the influence and add to the efficiency of the village primary school.

Financial Difficulty.

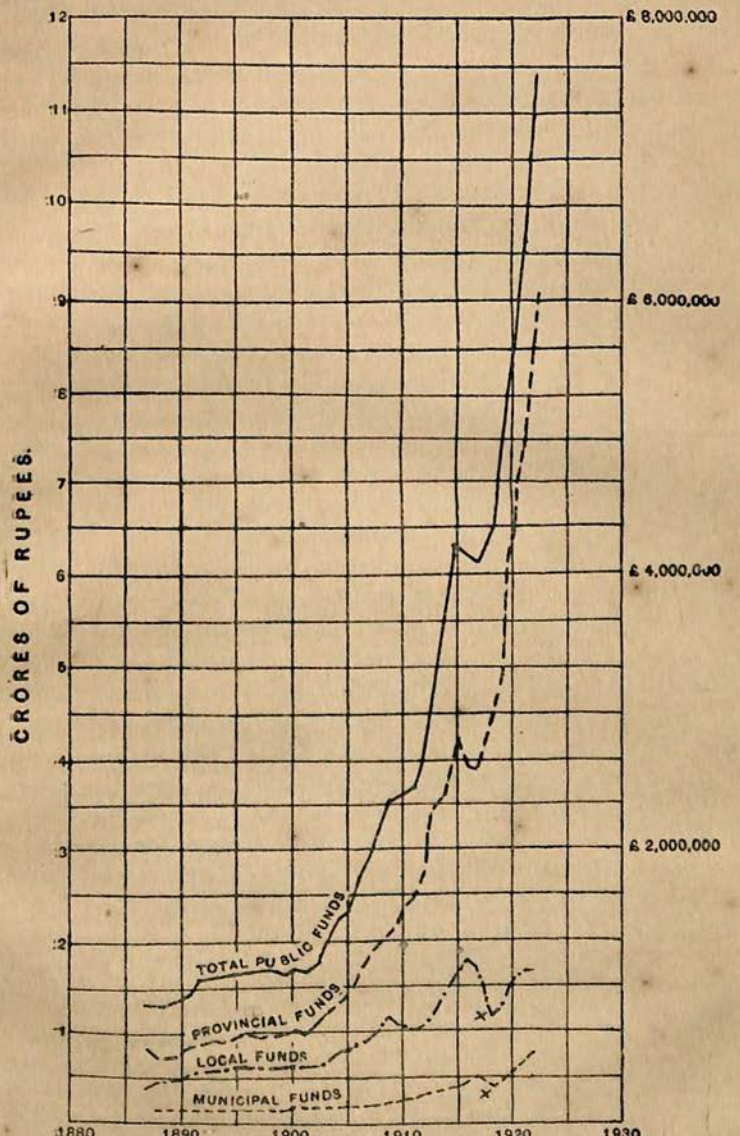
Social Conditions.

Owing to the strengthened contact between the Education Department and public opinion, the transfer of the educational structure to the charge of popular Ministers has resulted in the encouragement of many developments which were slowly shaping themselves under the older system. Broadly speaking, the Provincial Legislative Councils are now empowered to determine the best method of adapting the existing machinery to local requirements. The proceedings of the local Legislatures clearly reveal the keen interest aroused by educational problems among the Indian intelligenzia. Almost every Province is now displaying great educational activity; and in most places attention is being directed to a concerted attack upon illiteracy in its very strong hold, namely, the

Consequences of the Transfer of Education.

DIAGRAM 27.

Public expenditure on Education.



× Fall due to reclassification of expenditure according to which Government contributions made to local bodies for education are included in expenditure from provincial funds.

masses of the population. Even before the transfer, Primary Education Acts had been passed in many Provinces, permitting local bodies to introduce, under certain conditions, the principle of compulsory education. Bombay led the way with a private bill which was passed into law in 1918. Other bills followed for Bihar and Orissa, for Bengal and for the United Provinces in 1919. Government measures were passed for the Punjab in 1919, and for the Central Provinces and Madras in 1920. A similar measure is at present under consideration in Assam. But while these Provincial Legislative Councils have shown themselves clearly favourable to the compulsory principle, the actual introduction of the necessary steps, and their adoption by local bodies, have been attended by considerable difficulty. As we have already noticed in our discussion of the institutions of local self-government, there is a general reluctance on the part of municipalities and boards to apply coercive measures even to such a vital matter as the collection of their own rates. It is therefore not surprising to discover that they have displayed an even greater timidity in employing compulsion in the sphere of education. In the Central Provinces, for example, only two schemes for the application of the 1920 Act had been put forward by 1922-23. In Madras, at the close of the same period, no more than 7 municipalities had actually introduced compulsory elementary education. Under these circumstances, as will be realised, the progress achieved has not been so substantial as was at one time anticipated. In part, the difficulty has arisen from the general political atmosphere of the country, which has rendered the last two years an unfavourable period for the general adoption of the compulsory principle. But local Governments are now in general occupied in investigating the best means of translating compulsory primary education from theory into practice. In Bombay, for example, the comparatively unsatisfactory results of the earlier Compulsory Education Act have led to a recognition that the initiative in the matter of compulsion can most easily come from Government. This principle has been embodied in a fresh measure. It is provided that a local authority may declare its intention to provide compulsory elementary education in the whole or part of the area subject to its jurisdiction; and a local authority which makes no attempt to introduce compulsion may be called upon to do so by Government. The Administration is invested with powers enabling it adequately to enforce the

Strong Attacks on Illiteracy.

The Principle of Compulsion.

Difficulties of its Application.

Renewed Efforts.

compulsory principle. In the United Provinces, also, Government addressed the municipalities with the object of inducing them seriously to apply the compulsory principle, agreeing to be responsible for two-thirds of the extra cost involved under certain conditions. The results of this enquiry were promising; 32 municipal boards having expressed their willingness to take the necessary measures. By the close of the year 1922-23, 8 municipalities were beginning to work the scheme. In the Punjab also, the careful application of the principle of compulsion to suitable areas, has been attended by most satisfactory results in increasing the number of pupils in primary schools. In general, it would seem, the utility of the compulsory principle to India, at least in the immediate future, consists rather in the power which it vests in the authorities of keeping pupils under instruction until they have made real progress, than in swelling the numbers reading in the primary schools. The sphere which exists in the country for voluntary effort, so far from being exhausted, has scarcely been trenched upon; and it is only when intensive propaganda concerning the advantages of education shall have discharged its function, that compulsion need seriously be taken into account as a measure for filling the generality of institutions, as opposed to those exceptional cases wherein compulsion is dictated as a measure of economy for the concentration of pupils.

Bombay, United Provinces and Punjab.

Function of the Compulsory Principle.

The stimulus to popular enthusiasm in matters educational, which has accompanied their transfer to popular control, is by no means confined to the primary stages. There has been of late an increasing realisation among the Provincial authorities that secondary and university education in India, although quantitatively more satisfactory than primary education, have qualitatively certain serious defects. Secondary education in particular is still of poor standard and badly regulated. In consequence, the major portion of those boys who pass through the full secondary course enter the world with no real training for citizenship. The merits and demerits of good and bad high schools, it has been said, vary in degree but not in kind. The organization, the methods of instruction, the aims which inspire the work of the staff, the daily routine, the principles of study, and the ambitions of the scholars, seem to differ very little throughout the country. The demands for secondary education in India, although during the last two years they have been less

Progress of Secondary Education.

marked, through economic stress, than in other periods during the last decade, continue almost inexhaustible ; and efforts at improvement seem to be swallowed up in an overwhelming supply of cheap and bad institutions. The proprietors of private schools are able to manage their academies at the lowest possible limits of efficiency ; and since the most necessary ingredients of education as generally understood namely, social life and good physical conditions, are not demanded, they are not forthcoming. Fortunately, it is now generally admitted that secondary education in India needs to be radically remodelled in order to bring it more closely into contact with the needs and aspirations of the country. There is a growing realisation that since, under the most favourable circumstances, the largest proportion of the population of India cannot hope to pursue its formal education beyond the secondary stage, the structure of secondary education should be well-balanced and complete in itself. Up to the present time, Indian boys who desired to obtain an education worthy of the name, were compelled to pass from the secondary school to the university, even though their aptitudes and their choice of future vocation rendered them unsuited to a university career. It was for this state of affairs that the Calcutta University Commission, whose report represents a landmark in Indian education, desired to find a remedy. The proposals of the Report regarding the separation of secondary from university education, the erection of the former into a self-contained system, and the confining of each to its proper sphere, are now being carried out in several Indian Provinces. Boards for secondary and intermediate education—stages which together constitute a complete pre-university course—have been set up in various parts of India ; and progress is being made, as rapidly as the financial situation allows, with the constitution of intermediate colleges at suitable centres. In addition, several Provincial Governments are overhauling their high-school system ; are revising their methods of inspection ; are raising the pay of their schoolmasters ; and are encouraging manual training, physical development, and the Boy Scout movement.

Present Difficulties.

Future Measures.

The general control of the University system, with the exception of certain All-India sectarian institutions and the Delhi University, has been placed within the province of the Local Governments. The Government of India, however, still retain certain functions in connection with university matters, particularly in the sphere of legislation. Of late, university education in

Indian Universities.

India has undergone a striking change as a result of the lead supplied by the recommendations of the Calcutta University Commission. Up to some three years ago, the typical Indian University consisted of scattered colleges, one often separated from the other by hundreds of miles. With inadequate staff and inconsiderable equipment, these colleges in the majority of cases attempted to convey instruction far more elaborate than lay within their competence; while the university itself pursued a phantom existence as an examining body. In substitution for this system, the Calcutta University Commission recommended the erection of centralised unitary universities—residential and teaching bodies, in which all instruction was to be given by university officers under the direct control of the university authorities. This change was to be accompanied by the removal from the university stage of all tuition which did not strictly belong to it; and the creation of new institutions to be called intermediate colleges, which should provide a logical culmination to the secondary school course. But as India was studded with isolated colleges before the new idea took shape, the reorganization of universities of the old affiliating type may be expected to proceed hand in hand with the multiplication of the new unitary universities. The task of giving effect to such recommendations of the Calcutta University Commission as seemed to harmonise with local conditions, has fallen to the reformed Provincial Governments. The lead was taken by the United Provinces, where new universities have lately been opened at Aligarh and at Lucknow; while the original university at Allahabad has been reconstructed in an attempt to follow the general lines recommended by the Commission. Allahabad University now contains both an internal and an external side; the internal side following the lines of a unitary and residential university; the external side carrying on the old work of affiliation for the benefit of outlying colleges. The operation of this dual system has been attended by certain disadvantages; and a movement is now on foot to start an affiliating university at Agra to which the outside colleges could be attached. In Rajputana also, the need for a separate university is now being felt. A university has recently been established at Delhi, and another at Nagpur; while during the period under review the centralised residential university incorporated at Rangoon has been modified in such a manner as to allow for the affiliation of outsides colleges. Elsewhere, existing universities are being remodelled. In Bengal, the university at Calcutta is about to undergo certain modifications. The universities of

Recent Changes.

Lines of Development.

the Punjab and of Bombay have developed new honours courses, and added university teachers. The Madras University has also been remodelled by a recent Act, which provides for intercollegiate teaching in Madras itself; and differentiates outside institutions affiliated to the University into those which are and those which are not to be developed as potential university centres. During the period under review, the financial difficulties of the Calcutta University and its requests for additional grants gave rise to some discussion in the local Council as to the relations between the University and the Provincial Government. A draft measure of legislation proposing that the local authorities should exercise closer financial control over university affairs, provoked such criticism on the part of the University that a Conference was convened representative of the parties affected. Negotiations were still proceeding at the close of 1923.

Transfer of Education : Unfavourable Time.

It will be plain from what has already been said that the transfer of education to popular control has been accompanied by developments in many directions. It must owever be realised that this transfer was accomplished under somewhat unfavourable circumstances. It coincided in the first place with the advent of widespread financial stringency, and in the second place, with the period of excitement connected with the non-co-operation movement. Of the two, the former difficulty has proved the most serious. Not only were provincial resources at a low ebb owing to the prevailing conditions in agriculture and commerce ; but in addition the finances of the Central Government made it imperative to call upon the Provinces for heavy subventions. In consequence, education, like other nation-building departments, has suffered through financial disabilities. This will be apparent from the fact that the Provincial expenditure from Government funds per capita on education works out at a yearly average of Rs. 0·37. The inequalities of Provincial revenue, and the disproportion at present existing in many local administrations between revenue and population, combine to make even this modest figure beyond the capacity of certain Provinces. Accordingly, during the period under review, many useful schemes, including the provision of school buildings, had to be held is abeyance for want of funds. Programmes of expansion of primary education in various Provinces could not be entirely carried out. The number of inspectors and other educational officers has been curtailed wherever it was possible to do so. At the same time, it is gratifying to notice, any real reduction of Government expenditure on education

Financial Stringency.

met with great hostility on the part of the public. In very few Provinces, indeed, did this expenditure fail to rise. The tragedy lay in the fact that despite the utmost efforts of the administration, the sums available were inadequate to the demands made upon them. But the general financial stringency has produced results which are not entirely sinister. In the first place, it has led to a minute investigation into existing resources with a view to their more effective utilization. The Punjab in particular, can show very striking results in this direction. Between 1921-22 and 1922-23, the percentage increase in expenditure on primary schools was only one-quarter that of the percentage increase in the number of scholars. In the secondary schools, moreover, while the number of pupils increased by 19 per cent, the budget for secondary education s owed an increase of only 8 per cent. And while the total expenditure on education rose from Rs. 190 lakhs to Rs. 220 lakhs, the number of scholars rose from 627,000 to 777,000. The principal devices which rendered this economy possible have been found to lie in the concentration of specialist teachers in convenient centres ; in the abolition of water-tight compartments so that high-schools can serve more than one district, and training institutions more than one division ; and in the cautious application of the compulsory system. This last indeed has been found to yield unsuspected economy. It ensures that pupils will stay at school at least for four years, and carry away with them tuition which will prove of real benefit in later life. It enables the size of classes to be increased. It enables all existing buildings to be fully occupied ; and it facilitates the concentration of the school-going population into efficient institutions staffed by more than one teacher.

Economies.

The second of the disadvantages which have attended the transfer of the educational system of India to popular control, is the troubled political situation of the country. The non-co-operating campaign included in its programme a concerted attack upon the whole educational structure. The withdrawal of pupils from Government and State aided institutions ; the withdrawal of institutions from all forms of Government control, and the erection of a parallel structure of "national education," were among the items of its programme. The actual results of this attack varied from province to province ; but in general it was responsible for a decline in the numbers of pupils under instruction in Government schools, and for a serious depression of educational finance. Somewhat naturally it gravely affected student discipline, leading to an increase in strikes, and to serious offences

Political Agitation.

against school and college regulations. In Bengal and Burma, the two Provinces most widely affected, some 24,000 students had withdrawn from recognised institutions up to the end of March 1921; and even where the movement had attained less striking proportions, its disturbing effects upon the educational system were serious. Unfortunately, the debit items were not offset by any satisfactory entries on the credit side.

The Experiment of "National Education."

It is no exaggeration to say that provided the work and discipline in existing institutions had remained unaffected, the educational authorities throughout the country would have welcomed the inauguration of the experiment of national education. But before long, it was clear that the "national" system had failed to materialise. Such distinctive features as the new schools showed were unworthy of imitation. Great stress had been laid by Mr. Gandhi upon the use of the spinning-wheel and encouragement of the vernacular. But spinning, whatever its economic value, has little worth in education as compared with that possessed by other forms of hand and eye training. Even an elementary knowledge of child nature is sufficient to explain why the spinning-wheel has fallen into disuse in so many institutions. Further, there is little evidence that the vernacular is any more extensively used in the "national" schools than it is under the present regulations in recognised institutions; and there is information to show that many of the "national" schools gained a brief popularity by commencing the study of English at a stage earlier than is permitted by Departmental regulations. Apart from this, the curriculum of the "national" institutions differed very little from that prescribed by the Education Department. It has been stated that the teachers "were all products of the recognised system, and were only qualified to teach what they had learned. Too often they were not qualified even to do this, and the discipline of the new schools was notoriously lax." At the time of writing, it is reported from the Provinces that most of the national schools have disappeared. The best of them have now sought and regained official recognition; the few that remain outside the educational structure teach usually the ordinary curriculum, but are badly housed and equipped and often staffed by very inefficient teachers. At the same time, the idealism which characterised the better side of the movement has not proved wholly infructuous; since the conception of large educational institutions carried on without help from Government, is a distinct contribution to the future, even if the realization is yet to come. Further, it has brought to light evidence of a genuine dissatisfaction with the

Its Failure and its Lesson.

present character of the education supplied to the people of the country; and has thus led those in charge of this important subject to devote increasing attention to the necessity of bringing the curriculum into harmony with the changing requirements of India.

Recovery of the Educational System.

At the time of writing, it is amply apparent that the educational organization of the country has emerged triumphantly from the ordeal to which it was subjected. The latest reports available from every Province indicate that the ground at one time lost has now been fully regained. In the North-West Frontier Province, for example, the numbers of pupils in all kinds of institutions rose in 1922-23 from 53,914 to 56,403. In the Punjab, as we have already noticed, the increase during the same period was from 627,000 to 777,000. In the United Provinces, the numbers increased from 1,029,565 to 1,080,951. In Bihar there was a rise of 33,644 in the number of pupils under instruction in all classes of institutions; the numbers now standing at 844,026 as against 810,382. In Bengal, the number of pupils rose from 1,892,153 to 1,950,929. In Bombay, the number of those under instruction increased from 958,392 to 973,760. In Madras, during the same period, the number of pupils in all institutions rose by 78,905 to 1,915,117. In the Central Provinces, the progress was from 333,303 to 340,050. In Assam the increase was from 216,218 to 229,776. In light of the educational requirements of India, this progress must be accounted small; but in fairness we may remember that it represents but the first-fruits of a process of reorganization, the full effects of which have been delayed both by financial stringency and by political unrest.

Certain Tendencies.

While it is still too early to determine with any exactitude the effect produced upon the educational system by the changes of the last three years, it is already possible to discern the emergence of certain tendencies. In the first place, there is a marked readiness to experiment with new methods, and a zest in the preparation of definite programmes for expansion. Upon these developments space does not permit us to enlarge, for the simple reason that almost every province is taking up particular schemes. Next, there are encouraging symptoms of a new desire on the part of local bodies to devote a high percentage of their income to educational expansion. That there is ample room for further progress in this direction will be apparent from the comparatively small share of municipal and local funds in the total educational expenditure of the country. This is well brought out in the diagram oppo-

Enthusiasm.

site page 228. A further feature which deserves notice is the divergency in the forms of machinery now favoured in various parts of India. On one side we may notice a desire to secure, through every branch of educational activity, the direct and personal control of the Minister responsible to the Provincial Council. This line of advance seems generally favoured by the majority of Provinces. On the other side, there are distinct signs of a tendency precisely antithetical—a desire to decentralise educational control, and to erect within particular areas a School-Board or Educational Council which shall stand, as it were, between the Central Administration and the schools themselves. This divergency in different localities, while of itself probably arising from the requirements of widely different conditions, is symptomatic of a growth of provincialism which requires to be carefully watched. It is, of course, inevitable that each Province should develop its own educational policy; but there are certain matters in which local or provincial variation is dangerous to the cause of education. For example, with the multiplication of universities in the Provinces, there is a real danger lest the pressure of competition may result in the lowering of standards. Further, while it is natural that a Province should prefer to recruit its officers from among its own population, the extension of this principle to academic appointments is likely eventually to result in a certain deterioration. In which connection it is much to be regretted that on account of financial stringency, the Central Advisory Board of Education, which was the only body competent to collate, for the benefit of the Provinces, the educational experience derived from the whole of India, has been abolished. It is much to be hoped, in the interests of Indian education, that this Board will be revived as soon as conditions permit. To the external observer, it is somewhat ironical that the only educational machinery which has suffered serious retrenchment during the last two years is that connected with the Government of India. Superficially speaking, there might seem to be good grounds for such a step; since education has now passed to the control of the Provincial Governments. But there is a broader aspect to be considered. Unless there exists with the Government of India some machinery which is entrusted with the duty of mitigating provincial particularism by encouraging conferences between provincial authorities; by pooling experience; and by keeping steadily before its eye the national as opposed to the provincial aspects of education, it seems probable that serious consequences may ensue. The only method by which the idea of nationhood

Provincialism.

Dangers of Retrenchment.

can be spread fruitfully throughout the vast population of India, which includes a multitude of diverse races, castes and creeds, is through the creation of an educational system which, however flexible in detail, and however adaptable to local needs, contains common elements of the nation-building kind. Extreme provincialism in public institutions may well result in accentuating rather than in softening racial, linguistic and provincial lines of cleavage, to the postponement rather than the acceleration of a united Indian nationality.

We may conclude this review of Indian education by a brief investigation into certain particular problems, which at the moment present themselves for solution. Hitherto we have been dealing primarily with the Indian population of a school-going age. But it will be obvious on reflection that a very large part of the education now needed in India is adult education; and particularly adult education of a kind which will supply the new electorates with some guidance in the use of the suffrage which constitutional reforms have placed in their hands. Broadly speaking adult education in India resolves itself into two distinct problems, since two distinct classes of people have to be considered. There is first of all the very numerous section of the population which has received no substantial instruction in early life. There is secondly a more favoured class which has enjoyed a fair general education, but has lacked the opportunity for developing its civic consciousness after leaving school. This latter class presents a great scope for the university extension movement. Good progress has already been made in various Indian cities; and lectures for the benefit of the general public have been arranged on a wide variety of subjects. From certain other localities it is reported that the response of the public has proved unsatisfactory; but with increasing experience of the requirements of the class for which these lectures are designed to cater, it is hoped that the difficulties will be overcome. But the main problem attending adult education is that of reaching the country districts, where the preponderating bulk of the people live. So far as the education of the rural community is concerned, an excellent beginning is being made by the Departments of Agriculture, Public Health and Cooperative Credit, which in various parts of India organize lectures on matters directly affecting the welfare of the people. In 1923, no less than 18,000 adults were enrolled in classes held in Punjab schools after school hours. The cost of this achievement was very small; but the results are full of promise. Even more striking

Adult Education.

University Extension.

Night Schools.

progress was made in Madras, where the number of night schools rose during the period under review from 707 to 2,456 and their enrolment from 17,606 to 58,233. It is to be hoped that with the installation of village libraries, a development along this line may suffice gradually to raise the rural classes to a higher standard of culture. Among the industrial classes in the towns, progress has been much greater. Apart from the work done by the University Extension movement, several philanthropic associations such as the Young Men's Christian Association and various Social Service Leagues are labouring nobly for the instruction of the workers. The popularity of night classes and of general lectures in such a centre as Bombay, serves to indicate the demand now arising for education among classes of workers who have hitherto been contented to remain wholly illiterate.

Female Education.

The problem of adult education is vast; but its solution appears almost straightforward in comparison with the complexities presented by another question, upon which depends the future of the whole country—the education of Indian women. We have already pointed out on various pages of this Statement the immense drag which general illiteracy and normal unproductiveness on the part of 50 per cent of India's population must necessarily impose upon the progress of the country. It is sometimes said that the principal obstacle to female education in India is the parda system. But this is true only to a limited extent. A far more formidable difficulty is the complete absence of effective demand. The importance of educating the female half of the community is not yet recognised by the bulk of opinion, which is, of course, predominently male. Indeed until recently, the demand for such education was practically confined to a few advanced thinkers. The difficulty of devising courses of instruction which will commend themselves to that substantial body of public opinion which still regards female education with suspicion, is very great; but until it can be achieved, there will be little prospect of changing the prevailing sentiment. But quite apart from the present lack of effective demand, there are many grave difficulties connected with its creation and satisfaction. No rapid expansion is possible without an adequate supply of competent women teachers. And the fact must be faced that only a great social change can call them forth. As the Calcutta University Commission report pointed out "until men learn the rudiments of respect and chivalry towards women, who are not living in zenanas, anything like a service of women

Absence of Demand.

Social Changes Involved.

teachers will be impossible." The problem therefore depends for its solution not merely upon the energy and devotion of those in charge of educational administration, but also upon a change in the whole public attitude of India towards womenkind. At the present moment, while the number of Indian girls under instruction is steadily increasing in every Province, the rate of progress is painfully slow. But as has already been pointed out in the section of this Statement dealing with Social Reform, the progressive elements of Indian public opinion are now ranging themselves upon the side of female education. A hopeful sign is the gradual entry of Indian ladies into the teaching or nursing professions. Certain voluntary organizations, such as the Young Women's Christian Association and the Poona Seva Sabha show healthy progress.

Among other branches of educational work we may notice that the instruction of Muhammadans presents problems of its own. Every Muhammadan boy must spend a considerable time in imbibing religious instruction; and this fact naturally diminishes the time available for secular instruction. One consequence has been a general backwardness in education as compared with the Hindus. Fortunately, this deficiency has not escaped the notice of the leaders of Muslim thought; and in many Provinces special efforts are being made to encourage Muhammadan education. While there is considerable lee-way to make up in most parts of India, Muhammadan education has on the whole been gaining ground in a manner not unsatisfactory during the period under review. The foundation of the new Muslim University in Aligarh may be expected to contribute powerfully to the educational uplift of the Muhammadan community.

Muhammadan Education.

There are now increasing symptoms in India of a demand for technical and industrial education; but for the most part the success of training of this description is intimately bound up with the existence of avenues leading to lucrative employment. At present, owing to the industrial condition of the country, these avenues are for the most part lacking. For some years the principal difficulty of advanced technical education has lain in the lack of suitable openings for training students. While Government Engineering Colleges continue to expand their enrolment, and the Schools of Engineering scattered up and down the country are prospering, there are no signs that their multiplication would be for the present profitable. So long as the industrial condition of the country undergoes no remarkable development, there will be no scope for such an increase in technical institutions as is advocated by certain sections of opinion. So far as

Technical Education.

agricultural education is concerned, there are symptoms that the five well-equipped agricultural colleges in India are becoming increasingly popular. School education in agriculture is also making good progress.

Agricultural Education.

The Punjab has recently struck out a line of its own, which seems to possess great possibilities. Ordinary vernacular middle schools are now being utilised for imparting practical training in agriculture to schoolboys in rural areas. There are two special features of the scheme which have so far contributed much to its success. In the first place, there is attached to each school a farm whose area and equipment is sufficient for practical training on a reasonably large scale. This farm can be made practically self-supporting. In the next place, the training is given, not by one of the ordinary school teachers, but by a teacher specially selected for the work, and trained for a year in the Agricultural College at Lyallpur. The new scheme has achieved an immediate popularity, and has already spread to a quarter of the total number of vernacular middle schools in the Province. The fact that technical instruction in agriculture is combined with a good general type of education is probably in large degree responsible for its popularity; for it is an interesting fact that the poorer classes of the population do not seem to favour a rigid vocational education; but prefer that their sons should receive training less restricted in its scope.

CHAPTER V.

Politics and Progress.

The trend of domestic politics of India during the period we are now reviewing exemplifies in increasing degree the tendencies noticed in the course of last year's Statement. The change in the character of the non-co-operation movement, foreshadowed by the events of 1922-23, has become an accomplished fact. So striking is it, indeed, that there are those who maintain that non-co-operation has entirely perished during 1923. This view, however, is superficial, for the movement has always possessed two aspects. On the one hand it put forward a series of aims; on the other, it advocated certain methods by which those aims were to be achieved. From the first, the aims attracted more adherents than the campaign designed for their accomplishment; with the result that the failure of the campaign, though productive both of confusion and of discouragement, has left unimpaired the glamour of the objectives it did not attain. Accordingly, while non-co-operation as a political campaign has suffered discredit through its manifest impossibilities, non-co-operation as an attitude of mind, and as the vehicle of an awakened national sentiment, still survives. We shall fail to understand the political life of India to-day unless we realise that from the beginning, Mr. Gandhi's campaign has been not so much a cause of India's unrest as a symptom of those deep discontents from which the unrest resulted.

Origin of Non-co-operation.

We may remind ourselves that in the beginning, the non-co-operation movement originated from a variety of causes. Some were political, others religious, yet others economic. We have already noticed in an earlier chapter the remarkable stimulus afforded by the War to the spirit of Indian nationalism. Even before the outbreak of hostilities, there were symptoms of discontent with the constitutional position introduced by the Morley-Minto Reforms of 1909. India's expectations as to the recognition which her War services would win for her from British statesmen rose high; and in consequence the scheme foreshadowed by the Montagu-Chelmsford Report of 1918 was condemned by many sections of opinion as inadequate. The reaction against

Western influence and Western culture, which had been characteristic of India, as of many other Asiatic countries, for the last two decades, received a great stimulus from the racial bitterness engendered by the Punjab disturbances of 1919. All these causes of dissatisfaction were enhanced by the economic stringency of post-war adjustment. To them must further be added the bitter resentment of the Muhammadans at the delay in announcing the terms of peace with Turkey, and their apprehensions lest the last remaining bulwark of Islam in Europe might be shattered by the Christian Powers. It is quite possible that some of these causes of discontent might have failed, with the possible exception of the Punjab and Mussalman grievances, to result in any dangerous agitation. But the remarkable personality of Mr. Gandhi, gathered together the threads of unrest and wove them into a movement having for its object the destruction of the existing system of Government. His insistence upon the supremacy of soul-force, his advocacy of national fasting as a means to influence Government, his conviction of the irresistible power of passive resistance, were calculated to appeal directly to the growing Hindu reaction against the dominance of Western civilization. His adoption of the cause of Islam, and his acceptance of every claim put forward by the Khilafat Party as being dictated by the unalterable mandate of religion, cemented for the time his influence over the Musulman community. Finally, his declared aim of satisfying Muslim religious aspirations, redressing national grievances in the matter of the Punjab, and the obtaining Swaraj by a process of peaceful revolution, enabled him to stand forth as the unchallenged head of the whole national movement.

Mr. Gandhi's Position.

The steps he laid down for the achievement of these objects were also intended to provide a means of self-discipline for his followers. He prescribed in the first instance four stages of non-co-operation ; the resignation of titles and honorary offices ; the resignation of posts in all Government services, save in the police and in the army ; the resignation of service from police and the army ; and, finally, refusal to pay taxes. In the summer and autumn of 1920, Mr. Gandhi was lifted by degrees upon a wave of sentiment both Hindu and Muslim to a height which no Indian leader had previously attained. In September 1920 he obtained the support of a special Calcutta meeting of the Indian National Congress, assuring the assembled delegates that Swaraj could be gained in the course of a single year. Exactly what Swaraj implied, no one exactly knew. To Mr. Gandhi himself, it probably stood for his own ideal of

the subjection of the lower nature of man to the higher. But others read into it a political desideratum ranging from complete independence to Dominion home-rule. Above all, to the masses, suffering under a series of bad harvests, further aggravated by rising prices and low wages, Swaraj became synonymous with the commencement of a Golden Age, when prices should fall, when the peasant should own the land, and when taxation should cease. Consequently, the strength of Mr. Gandhi's movement, as soon became apparent, lay in the fact that it provided a large field for the co-operation of people of different capacities and different mentalities. His own remarkable personality achieved a kind of sympathetic coalition not only of those who desired immediate change of one kind or another in the existing order of things, but also of those who were susceptible to appeals of a high moral content. Hence, when he proceeded to formulate his famous triple boycott of British Courts, of Government Schools, and of the Reformed Councils, he carried with him a large body of Indian public opinion. In so doing, as has now become apparent, he sowed the seeds of disruption within his movement. The spectacular gesture of the non-co-operators in boycotting the first elections and eschewing the Councils recoiled on their own heads; and the political history of India during the year 1923-24 has been largely determined by the desire of a growing section of the non-co-operating party to reverse a decision of which the full implications were not then realised.

Agitation and Disorder.

But throughout the year 1921, Mr. Gandhi's campaign proceeded to advance with remarkable impetus. His capture of the Congress organization in December 1920 was of immense service to the progress of his movement. An intensified agitation spread over the whole country which was largely accentuated by the activities of the national volunteers raised in response to Mr. Gandhi's request. Originally recruited from among educated youths, these volunteers began to draw adherents from the rabble of the population. Before the year 1921 had come to an end, most of the members of this body were in receipt of payment, whether regular or occasional; constituting in practice a disorderly, if unarmed militia, for the enforcement of the decrees of the Congress Working Committee, which had been established to direct from day to day the details of the campaign against Government. Social boycott and intimidation were freely practised; the tale of anarchy and disorder increased month by month; and in August 1921 there burst forth in Malabar the terrible Moplah Outbreak.

In face of this remarkable campaign the position of the authorities was one of great difficulty. While Government did not regard non-co-operation as constitutional, they determined to institute no proceedings against those of its promotors who advocated abstention from violence. They knew that the movement was largely engendered and sustained in the case of the Hindus by national aspirations, and in the case of the Muhammadans by religious feeling: and they did not desire to adopt measures which might intensify racial hatred, and paralyse those sections of liberal opinion which were prepared to work the Reforms. Accordingly, while vigorous action was taken under the ordinary Law against those persons who attempted to incite the public to violence, or to spread disaffection among the forces of the Crown, the authorities trusted that the good sense of the general public combined with the enactment of such remedial measures as would remove legitimate political grievances, would suffice to keep the danger within bounds.

Attitude of the Authorities.

These hopes were not however realised. As the year 1921 proceeded, the menace to law and order attained formidable dimensions. Mr. Gandhi's ill-judged attempt to start a campaign of civil disobedience, which he defined as "a civil revolution which, wherever practised, would mean the end of Government authority, and open defiance of Government and its laws," placed a severe strain upon the safety of the State. The serious riots which broke out in certain parts of India during the visit of the Prince of Wales aroused the apprehensions even of Mr. Gandhi himself. Accordingly, he announced his intention of suspending the civil disobedience campaign until such time as he was convinced that the proper atmosphere of non-violence had been attained. Meanwhile, however, the authorities found themselves obliged to combat the illegal activities of volunteer associations by the employment of Part II of the Criminal Law Amendment Act. In several districts also, the Seditious Meetings Act was used to check the increasing volume of inflammatory speeches. The policy thus initiated was assailed as an interference with the rights of association and of free speech, and there was a disposition on this ground for Moderates to sympathise with Extremists. The result was the abortive movement towards a Round Table Conference in December 1921 and January 1922. But the close of the year 1921 ushered in the decline of the non-co-operation campaign. Swaraj had not been achieved within the promised year; the volunteer movement was

Serious Situation.

The Authorities take Action.

steadily succumbing to the pressure of the authorities; and the faith of the Mussalmans in non-co-operation as a means for achieving a satisfactory settlement of the Turkish Question was badly shaken. At this point, Mr. Gandhi was so ill-advised as to address an ultimatum to Government declaring that a campaign of civil disobedience had been forced upon his followers in order to secure the elementary rights of free speech, free association and liberty of the press—rights which the position he was even then occupying proved him to have utilised continuously and enjoyed without intermission from the very outset of his movement. But on February 4th, 1922, there occurred the terrible massacre perpetrated at Chauri Chaura by volunteers. Mr. Gandhi at once suspended mass civil disobedience, and instructed his followers to abandon every preparation of an intensive nature. For the future, non-co-operation activities were to be confined to a constructive programme, upon the accomplishment of which any further advance would depend. The principal features of this programme were to be the popularization of the spinning-wheel and home-spun cloth, the enlistment of members for the Indian National Congress and the salvation of the depressed classes. The publication of this decree alienated many of those sections of Mr. Gandhi's followers who had previously begun to lose their faith in his political sagacity as opposed to his moral eminence. When the All-India Congress Committee met at Delhi to confirm these " Bardoli Resolutions " his personal ascendency even over his immediate followers was considerably taxed. He was indeed successful in securing the confirmation of his ban against mass civil disobedience; but was obliged to acquiesce in the position that individual civil disobedience might nevertheless be commenced by permission of Provincial Congress Committee. Further, the distinction between " individual " and " mass " civil disobedience was so attenuated as to be of little practical moment. It therefore appeared to the authorities that proceedings against the leader of the movement ought no longer to be postponed: and Mr. Gandhi was accordingly arrested on March 10th, 1922, tried, and convicted of sedition.

Chauri Chaura.

Mr. Gandhi loses Control.

Throughout 1922 the non-co-operation campaign grew steadily weaker. It had not redeemed its promises to the nationalists in the matter of Swaraj; to the Muhammadans in the matter of the Khilafat; or to the masses by the inauguration of The Golden Age. The programme laid down at Bardoli was of such a nature that it could have proved a popular

Loss of Faith in the Campaign.

battle-cry only under Mr. Gandhi's own guidance. He was now removed; and there was none to fill his place. Further, the sustained efforts of the Government of India to secure the modification of the Treaty of Sévres in such a manner as Muslim feeling demanded, had begun to produce their effect. The opinion gradually spread throughout the Mussulman community that it was Government rather than Mr. Gandhi who was helping their cause. Further, there were not wanting even among Hindu politicians signs of a lack of faith in the principles of non-co-operation. Maharashtra, still under influence of Tilak, had never taken kindly to Mr. Gandhi's doctrine in its entirety, and had from the first regarded the boycott of the Councils as a mistake. This feeling was emphasised by the realisation that the machinery set up by the Montagu-Chelmsford Reforms was functioning effectively. The success of the Central Legislature in influencing the policy of the Executive in such matters as Indianisation, retrenchment, and the repeal of the Press Act; combined with the obvious intention of the Administration to work harmoniously with popular representatives in the new Councils, convinced the more clear-sighted of the non-co-operators that it was impossible to remain in the wilderness without risk of political extinction. And when we further remember that the party which had entered the Council and was now busily reaping the fruits of power acquired under the new Constitution, was one which had for long disputed with the extremist section of political opinion for control over Congress, it is small matter for surprise to discover that throughout the year 1922; the conviction that the Councils must be captured grew steadily among the former followers of Mr. Gandhi. Indeed, the gradual departure of a powerful section of non-co-operators from his behest in the matter of Council boycott must be accounted among the most important consequences of his incarceration.

Council Boycott a Mistake.

None the less, so great was the power of his name that many of the most revered leaders of Indian nationalism were still unprepared to depart from his final injunctions. When in June 1922 a meeting of the Congress and Khilafat Committees took place in Lucknow, it was agreed by the majority of those present that the constructive programme must be pursued. It soon became obvious, however, that the non-co-operation movement as Mr. Gandhi had known it was on the wane. The disorders which had been so serious throughout the year 1921 were noticeably absent; so much so indeed that several local Governments found it possible to

Hesitations and Doubts.

withdraw the Seditious Meetings Act from operation, and even to remove the ban placed upon volunteer bodies. The campaign for national education had declined, students were once more seeking admission to Government schools; and many of those lawyers who had non-co-operated were resuming their practice in the British Courts. The constructive programme had lost such small enthusiasm as it had once attracted; the spinning-wheel had declined in popularity; and the temperance campaign had come almost to an end. Worse still, the structure of Hindu-Muslim unity, so laboriously built up by Mr. Gandhi, was now showing serious weakness. For sometime, as we have noticed, certain sections of Muhammadans had begun to realise the futility of the non-co-operation programme. They had made great sacrifices for it without deriving any corresponding advantages. They began to feel that Government, by steadily pressing Mussalman sentiment upon the attention of the Home authorities, were doing far more to solve the Turkish question than the whole non-co-operation movement had been able to achieve. The news of the victorious advance of Mustapha Kemal Pasha during August and September 1922 relieved Indian Muhammadans of the greater portion of that anxiety which had formerly led them to lend their aid to Mr. Gandhi's movement. Moreover, there were not wanting other indications of the artificial character of the alliance between the two communities which had been such a striking factor during 1921. Hindu feeling had been deeply stirred over the Malabar rising, which had left a legacy of great bitterness in Southern India. In the Punjab, Hindu and Muslim interests took opposing standpoints upon the future administration of the North-West Frontier Province. Moreover, among those Hindus and Mussalmans who were not non-co-operators, there arose once more the old dispute as to the distribution of the loaves and fishes of office. As a result of all these factors, Hindu-Muslim jealousy began to revive throughout the latter half of the year 1922. The Muharram celebrations were attended by serious riots, both in Bengal, and in the Punjab. Despite the strenuous efforts made by Congress leaders to reconcile the two communities, the gulf between them was visibly enlarging.

The Campaign declines.

Hindu-Muslim Unity suffers.

The confusion which had now overtaken the counsels of the non-co-operation party seemed likely to result in the paralysis of the whole movement. Had non-co-operation itself been of a nature to stand or fall by the achievement of Mr. Gandhi's programme, the year 1922

Difficulties of the Congress Party.

would have conferred upon it its epitaph. But, as we have already noticed, this movement had become a channel into which during the preceding two years Indian nationalist sentiment had flowed from many sources. It was therefore quite impossible for the majority of those who had enlisted under Mr. Gandhi's banner, to take back their hand from the work to which they had set themselves. However lamentable might have been the failure of the non-co-operation campaign, the abandonment of the non-co-operation movement was unthinkable on every ground. To admit that the Liberals had been right in entering the Councils: right in utilising the power which the new Constitution conferred upon the electorate: right in supporting Government in its maintenance of law and order: would have condemned the party of non-co-operation to complete extinction. Accordingly, the conviction we have previously noticed as to the dangers of standing outside the new Constitution, and thereby affording the Liberals a free hand, became more and more marked among congressmen throughout the Autumn of 1922. At the same time, there was a very powerful section of opinion which remained still under the spell of Mr. Gandhi's influence, and was thereby prevented from countenancing any attempt to dispute the possession of the new Councils with the Liberals. When the Civil Disobedience Enquiry Committee appointed by the Congress presented its report, the cleavage between these two sections of opinion became apparent. The enquiry showed that the organization of the non-co-operators had broken down; that there was neither trust in nor enthusiasm for the constructive programme; and that the institution of civil disobedience was beyond the range of practical politics. But its implications were even more serious. Unless some new line of advance could be found, the whole of that large body of Indian national opinion which was represented by the National Congress would find itself face to face with a dead wall. The enthusiasm of the masses was dying; the country was quiet, except for those lamentable Hindu-Muslim disputes which threatened the solidarity of all political work. The campaign against Government had virtually come to an end; so that even such incidents as Mr. Lloyd George's "steel-frame" speech, and the exercise by the Viceroy of his powers of certification in connection with the "Princes' Protection Bill" could not be turned to profit by the non-co-operators.

Dangers of an Impasse.

The dissensions within the Congress camp shortly came to a head. The principal protagonists of Council entry were Pundit Motilal Nehru,

the well-known Allahabad leader, and Mr. C. R. Das, an equally famous representative of Bengal. Both these gentlemen are lawyers of eminence, who had made considerable sacrifices in the cause of non-co-operation, and had undergone terms of imprisonment for breaches of the law. Associated with them were a number of Muhammadan leaders among whom may particularly be mentioned Hakim Ajmal Khan. They also enjoyed the support of the majority of the most influential of the Provincial congressmen. Their opponents constituted the rank and file of the younger section of the Congress members, who were still imbued with a pathetic faith in the infallibility of Mr. Gandhi, and clung to their belief in mass civil disobedience as an avenue to the inauguration of the Golden Age. The elections of Congress delegates for the Gaya Meeting in December 1922 were attended with considerable excitement, which in certain places culminated in disorder between the adherents of the two parties. In the event, there were returned a majority of delegates pledged to support the old programme—a symptom of the influence still exerted by Mr. Gandhi's name. Both Mr. Das and Mr. Nehru were high office bearers in the Congress organisation, the former being indeed President of the Gaya Session. But the advantage which this circumstance might have conferred upon the pro-change party, were more than off-set by the number and by the temper of their opponents. The majority of the Congress endorsed the constructive programme, affirmed the triple boycott, and declined to allow Congressmen to contest the elections.

Changers and No-Changers.

The differences which emerged at Gaya between the minority and the majority party were too grave to be glossed over. The advocates of the policy of Council entry, though in the minority, were utterly convinced that they had discovered the only possible method of extricating the Congress from the impasse into which it had been landed by the failure of the non-co-operation programme. Accordingly, while the majority of the party were attempting to take action upon their resolution calling upon local Congress Committees to collect money and enroll volunteers, the minority constituted themselves into what they called the Congress-Khilafat-Swaraj Party, which was to work within the Congress organisation for the conversion of their opponents to the policy of Council entry. Both parties engaged in active propaganda, much of which was mutually destructive. There seemed some risk lest the whole store of energy still remaining at the disposal of the non-co-operation movement should be exhausted

Gaya and After.

in recrimination. Accordingly, strenuous efforts were made to arrive at a compromise. The pro-change party was obviously swimming with the tide. In face of the utter failure of the no-changers to gather funds and volunteers, the propaganda of the Swarajists began to meet with increasing success. But meanwhile, it became increasingly apparent that unless some agreement could be arrived at between the two sections, the whole Congress organisation would become paralysed. Accordingly, towards the end of February a compromise was arranged, whereby both parties were to be at liberty to work out the items of their programme without interfering with each other; propaganda both for and against Council entry being suspended by mutual agreement until the end of April. But by the end of that time, the Gaya Programme had produced little activity and no enthusiasm. On the other hand, the Swaraj Party was gaining fresh adherents all over the country. Undaunted, the majority section reiterated their conviction that the Gaya Programme represented the only scheme for which congressmen could work. Meanwhile, however, the policy of Council entry received notable support from the course of events within the Central Legislature.

Central Legislature. Delhi Session 1923.

The budget session of 1923, as was remarked in last year's Report, proved to be the most important, and in some ways the most critical, which had taken place under the Reformed Constitution. As a result of the recommendations of the Fiscal Commission, Government accepted the principle that the Fiscal policy of the country, subject to certain safeguards, might be declaredly directed to the fostering of industrial development; and that a Tariff Board should be erected to advise for this end. Non-official opinion further succeeded in obtaining from Government the assurance that the management of the East Indian and Great Indian Peninsula Railway lines would be taken over by the State when their contracts fell in. Shortly afterwards, the Legislature secured the removal of a long-standing grievance by amending the Criminal Procedure Code in such a way as to obliterate the most important distinction in the trials of Indian and European subjects of His Majesty. Finally, the Commander-in-Chief in the course of a debate in the Assembly on the question of Indianising the commissioned ranks of the Indian army, announced that it had been decided to set aside eight specific units for Indianisation in order that the proposed policy might receive a fair trial. But on the other side, the session brought forth incidents which were calculated to shake the credit of the Liberal Party in the country. The announcement that a Royal Commission

had been appointed to investigate the condition of the Public Services, served to stimulate anew the disquiet evoked by Mr. Lloyd George's "steel-frame" speech. It was generally feared that India would be called upon to meet a bill for the improved pay and prospects of her European officers; and not even the possibility that the Commission might recommend further Indianisation, sufficed to dispel this alarm. In the next place, a despatch was published from the Secretary of State, wherein, replying to the opinion favouring further constitutional advance expressed in the Legislative Assembly Resolution of September 1921, he had declared that the short experience of the working of the new reforms did not warrant the assumption that the time was ripe for their expansion. Even more formidable from the point of view of the Liberal Party now entrenched within the walls of the Council, was the dispute which arose between the Legislature and the Executive over the enhancement of the Salt Tax. The majority of the Assembly had resolutely set their face against the imposition of the enhanced Salt Duty; and in 1922 their wishes had prevailed. Meanwhile, the drastic process of retrenchment following upon the recommendation of Lord Inchcape's Committee, had not sufficed entirely to bridge the gap between receipts and disbursements. But it now appeared to the Administration of vital importance that the budget of 1923-24 should be balanced; for since the possibilities of retrenchment had been fully taken into consideration, any further delay in achieving financial equilibrium must necessarily exert a most unfortunate influence upon the credit of the country. For reasons fully set forth in His Excellency the Viceroy's pronouncement, the Salt Duty was enhanced by certification. This step was received with the utmost dismay by the majority of the Liberal party. They believed that its imposition would place a premium upon non-co-operation; and there was a disposition in the heat of the moment to discount all that had been achieved by the Reformed Constitution. Lord Reading's act was widely cited as a proof that the "old autocratic system" still persisted. Indignation meetings were held in various parts of the country, at which members of the Legislature emphatically voiced their disappointment at the attitude of Government and their fear lest after all the Reforms might be a delusion.

Difficulties of the Liberals.

Certification of the Salt Tax.

However intelligible might have been the feelings of the elected members of the Assembly, when they perceived that their solid opposition to the Salt Tax

The Liberals Shaken.

was out-weighed by administrative considerations, it cannot be denied that their loss of faith in the Reforms was attended by the most serious political consequences. Their newly aroused doubts as to the efficacy of working through the Councils were eagerly seized upon by the Congress Party. At first it seemed as though the effect of the certification would be to encourage the no-changers at the expense of the Swarajists; for the former had always preached that the new constitution was a sham. But the latter were fully equal to the emergency. Mr. Das announced in the clearest terms that neither he nor his party believed that Swaraj would come through the Councils. He argued that this machinery constituted a powerful instrument of repression in the hands of the authorities, and that it must be captured at all costs. Recent events lent force to this contention in the minds of many to whom the argument was addressed; for the discouragement of the Liberals was construed as a sign that Government were utilising the new Parliamentary machinery when it suited them to do so, and were overriding it when occasion seemed to demand. The Swarajists employed this line of argument to support their own policy, urging that the capture of the Councils by themselves would create a situation in which Government could no longer pretend to rule through Parliamentary methods; but would be faced with the alternative either of reverting to pure autocracy, or of accepting the will of the people. The ultimate result upon Congress politics of the Delhi Session of 1923 was therefore to afford additional stimulus to the propaganda of the Swaraj Party.

Swarajists Encouraged.

The no-change party did not for some time relax their efforts. They did their best to put the Gaya Programme into operation; but the response to their requests both for men and for money were discouraging in the extreme. Much was hoped from the Flag agitation at Nagpur, to which a brief reference has been made in an earlier chapter. On the 30th April certain local leaders announced their intention of carrying the "national" flag in procession, partly through the civil station of Nagpur, partly through the town. They departed from the published route and when requested to adhere to it, proclaimed that they would not rest content until they had carried the "national" flag into every part of the civil station whether the residents liked it or not. As the conduct of those constituting the procession was considered likely to be provocative, the authorities feared a conflict between

Efforts of the No-Changers.

National Flag Movement at Nagpur.

the adherents of the " national " flag and those who were still content to accept as the symbol of their allegiance the Union Jack. Processions were accordingly stopped when they attempted to enter the residential quarter, and the district magistrate ordered that there should be no demonstrations in this area without his permission. Probably if the demonstrators had been willing to give assurance that the display would be peaceful and orderly, and not calculated to cause annoyance to other people, they would have been allowed to display the " national " flag in the residential quarter, with as much freedom as they could display it elsewhere in the town. But instead of attempting to gain their object in this manner, they took the opportunity to defy the law. The incident was seized upon by Congress workers in other parts of the country, and volunteers were enlisted to proceed to Nagpur and there to court arrest. The early stages of the movement attracted some little attention, but the hopes which the no-change party built upon it were doomed to frustration. From the earliest stages of its development, it had not received much support from Swarajist opinion, by whom its futility was quickly perceived.

The pro-Council party after observing the truce up to the 30th April, began a powerful and well-organised propaganda in pursuit of their professed objects. When the All-India Congress Committee met in Bombay, at the close of May, the Council entry programme won a notable victory. It was agreed that no propaganda should be carried on amongst voters in furtherance of the Gaya Resolution directing Council boycott. Accordingly the members of the Congress Working Committee, who had hitherto been predominantly of the no-change persuasion, resigned ; and a new committee was appointed of whom the majority favoured Council entry. The " national " flag agitation at Nagpur received a certain amount of support ; and it was determined to hold a meeting of the Congress Committee during July in the town where the struggle was being pursued. But the victory of the Council party did not go unchallenged. In various parts of the country the no-changers rallied their forces ; and when the Congress Committee met in July, there was an attempt to challenge the Bombay compromise. This was defeated ; but the power of the no-changers was revealed by the passage of a resolution to the effect that the question of Council boycott should be referred to a special session of the Congress. Meanwhile, the Nagpur flag agitation had failed to bring to the no-changers the credit which they had expected. It attracted less and less attention as time went on ;

Progress of the Swarajists.

till at last a stage was reached at which the agitation could only be kept alive by importing volunteers from other parts of the country. The differences now existing between the two sections of the Congress were accompanied by a general breakdown in the efficiency of the local organizations. Signs of insubordination among the district committees became apparent; and the discipline of such volunteers as remained became adversely affected.

But while the politics of the Congress Party seemed thus to be involved in serious embarrassment, their opponents were unable to derive advantage therefrom. The credit of the Liberals had been shaken from various causes, not least their own of lack of confidence in the Reforms. Had the life of the existing Legislatures been protracted for another year, the upshot of events might have been very different; for the real achievements of the new constitution contrasted so strongly with the sterility of non-co-operation that the Liberals would have taken fresh heart, and the Congress party might well have dissolved into a chaos of jarring factions. But as it was, the approach of the election found the Liberals at their weakest. They had for the moment lost their faith in the course which they had been pursuing with such success for the last three years; and fortune did not favour them with any opportunity of winning popularity. The last meeting of the first Assembly, which took place in July 1923, afforded no occasion for any triumphant demonstration of the efficacy of constitutional methods of political advance. The non-official members did their best. They passed a resolution recommending the curtailment of the use of the Governor-General's emergency powers. They passed a resolution which implied a desire for the relaxation of the control of the Secretary of State over the Government of India, and for the framing of rules to transfer more subjects to Ministerial control in the Provinces. They passed a resolution designed to hasten the progress of Indianising the army: they censured Government for interfering, through the Imperial Bank, to prevent the panic to which the failure of the Alliance Bank of Simla had threatened to give rise. But while they forcibly presented the Indian standpoint upon these and certain other matters then engaging the attention of the public, they were unable to secure any dramatic triumph. They did, indeed, transact a large volume of real business of the most solid kind: but it was not by such useful and unostentatious work that the imagination of an ignorant and untried electorate could be stirred. Further, the fates were particularly unfavourable to them in two respects. A resolution was moved calling

upon Government to release Mr. Gandhi and certain of his principal henchmen. The majority of members, true to their convictions, threw it out; and it was counted for an aggravation of their transgressions in the eyes of their opponents. Far more serious, however, was the effect produced by the announcement of the decision of His Majesty's Government in the matter of Kenya. As we have noticed in another place, this decision came as a shock to all shades of Indian opinion. It afforded encouragement to anti-British feeling: it led to criticism of His Majesty's Government, of the Administration which represented that Government in India, and of the section of Indian Moderate opinion which was co-operating with that Administration in the working of the Reforms. The struggle carried on by the Government of India in support of the Indian case: the yeoman service rendered to that case by prominent Liberals, went for the moment unheeded. The Viceroy's outspoken expressions of disappointment: the Assembly's vigorous action in rushing through a reciprocity bill—all these counted little in face of the facts that India's pride had been wounded, and that the Liberals had been guilty of co-operating with a Government under whose régime this tragedy had occurred. In such circumstances, it is small matter for surprise that the confidence of the Liberals received yet another shock:—that their doubts as to the possibility of asserting India's rights through the agency of the present Reforms, already ominously strong, should have been considerably reinforced. So far, then, from being in a position to profit by the confusions of the Congress party, they were themselves perplexed, divided, discouraged, and deprived of that sturdy confidence in their own solid achievements which could alone have commended them to the favour of the electorate.

Misfortunes of the Moderates.

Between July and September, the Swarajists steadily gained ground at the expense of the no-change party. It seemed likely that they would be successful in securing a reversal of the Gaya decision. The no-change party laboured to oppose them, and a bitter but obscure struggle took place, the details of which are not available from published documents. An attempt seems to have been made in Bombay to reverse the May decision of the Congress Committee: but it failed, and the Swarajists advanced one stage nearer victory through the declaration that the Congress Resolution asking the country to boycott the Councils should be suspended. A fresh struggle then broke out as to the venue

Struggles and Triumphs of the Swarajists.

of the Special Congress which was finally to determine the matter. Again the Swarajists were successful in securing the choice of Delhi, where they would be less exposed to the influence of the no-change party. The tide was finally turned in their favour by the release of Mr. Muhammad Ali from jail at the end of August. On September 25th, 1923, the momentous Special Congress was held in Delhi. In the course of the proceedings, Mr. Muhammad Ali announced that he had received a telepathic message from Mr. Gandhi in Yeravda Jail, approving of the modification of the triple boycott in favour of Council entry. Individual congressman were, it was suggested, to be allowed to exercise their discretion in standing as candidates for the Councils. After somewhat heated discussion, a resolution to this effect was carried, the no-change party, which was present in considerable numbers, being for the moment silenced by Mr. Muhammad Ali's bold statement. At the same time, the original non-co-operation programme still exercised sufficient attraction over the minds of many of the assemblage to secure the passage of another resolution designed to facilitate the starting of a campaign of civil disobedience. But in point of fact, the death-knell of the original programme had been sounded, less perhaps from the victory of the Council entry party, than from the conditions existing in the country at large.

Difficulties of the Non-Co-operators.

We have already noticed the disorganization of Congress politics which had resulted from the breach between the Swarajists and the no-changers. This disorganization would have been a serious matter, even had public opinion been prepared to throw itself into political activity with the enthusiasm characterising the previous two years. But in the general apathy which prevailed, its results were disastrous. The Nagpur flag agitation, after dragging wearily along, was finally brought to a close in August. A compromise was arrived at by which a procession, after special precautions had been taken to prevent noise and disorder, was permitted to proceed along a route which did not include the residential area. Great efforts were made to represent the compromise as a victory for the non-co-operators; but as the wishes of Government had been fully met, the attempt to derive political capital from the occurrence was hardly successful. It is interesting to notice that while the issue of the Nagpur Satyagraha campaign was still undecided, the local Legislative Council carried two resolutions asking for the cancellation of the District Magistrate's order restraining the processions, and for the release of all the

Public Apathy.

prisoners arrested. But that there was little feeling on the subject is shown by the fact that on the last day of the Session the Council voted a supplementary demand for the expenses of detaining these same prisoners in jail. With the settlement of the dispute, the persons under detention were released by the Local Government.

But from the point of view of orthodox non-co-operation, there was an obstacle to the prosecution of political activity along the lines laid down by Mr. Gandhi, which was far more serious even than popular apathy. We have already noticed during the year 1922 the gradual emergence of serious communal dissensions. Throughout 1923 the tension between the Hindu and Mussalman masses in various parts of the country increased to a lamentable extent. In March and April, there were open riots of serious nature in Amritsar, Multan, and in other parts of the Punjab. In May, there were further riots at Amritsar, and a riot in Sind. In June and July, there were riots in Moradabad and Meerut, as well as in the Allahabad district of the United Provinces, and a somewhat serious disturbance at Ajmere. In August and September there were further outbreaks of a distressing character at Amritsar, Panipat, Jubbulpore, Gonda, Agra, and Rae Bareili. Most serious of all was a disturbance which occurred at Saharanpur in connection with the Muharram festival. This was among the most formidable religious riots which have occurred in India during recent years, being accompanied by outbreaks of murder, arson and loot. As may well be understood, occurrences such as these served to poison relations between Hindus and Mussulmans throughout an area far more extensive than that covered by the actual outbreaks. Indeed, throughout whole provinces the tension between the two communities reached a degree unprecedented of recent years. The flame of feeling fed upon occurrences which under happier conditions might have passed unnoticed. The redistribution of seats upon municipalities and district boards; the appointment of particular individuals to official positions; together with a number of other incidents, of themselves harmless, combined to provide the excuse for fresh bitterness. Much harm was also caused to the relations between the two communities by the propagandising activities of certain adherents of reforming sects. In last year's Statement we referred briefly to the apprehension caused in Mussulman quarters by the so-called Shuddhi movement, which had as its object the reclamation to Hinduism of certain

Serious Communal Dissensions.

Religious Riots.

Religious Propaganda.

communities who were Mussulman merely in name. The progress of this movement naturally excited counter activities on the Muslim side; and when two sets of missionaries were striving within the same area, the effects of their conflict were felt far and wide. The relations between the two communities were further exacerbated by an interesting movement of revival within the fold of orthodox Hinduism. Partly as a result of an increased adherence to the ideals of social reform; and partly from the realisation that the most formidable antagonists of orthodox Hinduism are to be found among those communities whom the system condemns to a position of degradation, there has of late been a distinct inclination even on the part of the more orthodox Hindus to bring the depressed classes and the outcastes within the scope of the caste system. During the year under review, this movement undoubtedly derived considerable impetus from the communal tension to which we have adverted. The impulse in favour of social reform was strengthened by a realisation that the lower castes presented a fruitful field for the operation of Muslim missionaries.

The Shuddhi Movement.

The Hindu Sabha and Sangathan Movements.

It was therefore felt by many of the leaders of Hinduism that unless the structure of Hindu Society could be consolidated, it was destined to lose in proportion as the other community gained. Considerable attention was therefore devoted to attempts, as it were, to put the Hindu house in order. The fact that it was generally believed that Hindus were the worst sufferers in the event of communal disorders, led the organisers of the movement to lay stress upon the formation of volunteer bands and upon the necessity for physical training. In so doing, they were generally careful to explain that they intended no hostility to the Mussulmans. But in the condition of communal feeling which then existed, such a movement was not calculated to improve the relation between the two faiths.

It may well be imagined that such a state of affairs constituted a grave obstacle to the progress of non-co-operation as understood by those who still adhered to Mr. Gandhi's doctrines. It was indeed impossible to disguise the fact that the political *entente* which, at the cost of so much energy, he had established between the two communities, was now a thing of the past. All such movements as civil disobedience were necessarily still-born until a fresh working agreement between the Hindus and the Muhammadans could be established. During the last three months of 1923, prominent congressmen devoted much attention to the

Congressmen and Communal Dissensions.

task of healing communal dissensions. Wherever riots occurred, individual leaders hastened to employ their personal influence in the cause of agreement. But the age-long antagonism between the two faiths had now attained proportions which were beyond the power of any individual, save perhaps Mr. Gandhi himself, to compose. At the Delhi Congress, the supreme necessity, from the political point of view, of bridging the gulf between the two communities, in order once more to present an unbroken front, was fully recognised ; and a small committee was nominated to prepare a draft for a national pact. As a result of the deliberations of this committee, a tentative agreement was formulated which sought to secure the religious liberties of each community and to provide for arbitration in cases of conflict. But the pact did not touch some of the thorniest questions which divide Hindus and Mussulmans in India. In particular it had nothing to say regarding the vexed matter of communal representation in regard to power and office. Subsequently, Mr. C. R. Das and certain of his friends drew up for Bengal the draft of a Hindu-Muslim pact which attempted to lay down a definite proportional representation in all offices for the two communities. Representation to the local bodies was to be in the proportion of 60 to 40 ; 60 to the community which was in the majority and 40 to the minority. It was also proposed that 55 per cent. of Government posts should go to the Muhammadans. However statesmanlike this Bengal pact may have been from the point of view of conciliating Muhammadan opinion, it at once aroused a storm of opposition among Hindus of every political complexion. Indeed, had it been promulgated before instead of after the General Election, it might have influenced in an adverse manner the fortunes of the Swaraj party.

The " National " and the " Bengal " Pacts.

The general apathy of political opinion regarding the non-co-operation programme, combined with the serious divisions which were every day alienating the Hindu and the Muhammadan communities, made it gradually plain to the majority of congressmen that nothing was to be hoped from Mr. Gandhi's legacy. There were, it is true, a considerable number of his devoted adherents, who would countenance no change from his last behests. But even they had been to some extent disconcerted by Mr. Muhammad Ali's announcement of the telepathic message. The upshot of all these circumstances was to place the Swarajists in a very advantageous position. They alone seemed to possess a clear-cut policy, which, however much it might diverge from non-co-operation in the old sense, was at least professedly directed towards

the achievement of the same ends. And while they had agreed not to utilise the formal machinery of the Congress for the enhancement of their own prospects in the elections, there was a natural tendency on the part of all local Congress organizations, save those who happened to be under the control of convinced members of the no-change party, to strain every nerve for their assistance. Moreover, the Swarajists had succeeded, by careful and painstaking toil, in constructing a very efficient party machine of their own. They had not dissipated their energies in such futile demonstrations as the Nagpur flag campaign. They had collected funds ; they had enlisted workers ; they had organised a party press. For some months they had been engaged in conducting a steady and well-directed propaganda among the electorate. Having now received permission from the Congress to contest the seats for the Councils, they naturally emerged into the public eye as the main protagonists, from the nationalist point of view, in the approaching struggle for the control of the new constitutional machinery.

For the sake of clearness we may now briefly recapitulate the position of the parties in India on the eve of the elections of November 1923.

The Independents.

From what has been said in the preceding paragraphs it will be realised that the two principal groups seeking election to the Reformed Councils were the Swarajists on one side and the Liberals on the other. It is however a mistake to suppose that all candidates were included within one or other of these two categories. There remained an extremely important class who can best be described by the designation of Independent. The term, it is true, is of little value as a political label ; for those who stood as Independent candidates belonged to almost every shade of opinion. In considering the election situation, however, it is important to remember that the Independent candidates had as a rule one thing in common. They were generally men of local influence. Often indeed they were landholders. But in any case, they possessed a definite status within their constituency which enabled them to stand without reference to a party ticket. And it is important to remember that while, for reasons we shall proceed shortly to examine, the Swarajists were largely successful in their campaign against the Liberals, they did not enjoy anything like the same measure of victory over those Independents who refused to subscribe to their principles.

The main interest of the election centered of course in the struggle between the Liberals and the Swarajists. For three years the Liberals

had been securely entrenched within the new Councils, and in the course of that period had placed to their credit practical achievements of the utmost moment. Steady, if undramatic, progress had been made towards the acquisition by India of Responsible Government. Both in the Central and in the Provincial spheres, the Executive had shown itself as a rule increasingly responsive to the wishes of the elected members. Several outstanding questions, of which the Punjab grievance and the Khilafat matter provide the most remarkable instances, had been dealt with along lines for which the Legislature had pressed. In many other directions, moreover, substantial steps had been taken towards the fulfilment of national aspirations. Among these may be mentioned the schemes for the Indianization of the Army and of the Public Services; the vindication of India's claim to fiscal autonomy and the recognition of the principle that the tariff policy might be employed for fostering national industries; the removal from the Statute Book of many Laws of the kind popularly called "Repressive"; and the removal of all but the last traces of racial discrimination in criminal trials. Yet with all these achievements, so solid and so praiseworthy, the Liberals found themselves, as we have already given some reason to show, in a very disadvantageous position *vis à vis* the Electorate.

Position of the Liberals.

Solid Achievements.

Even from their very triumphs they reaped little credit. In none of the directions in which they had achieved progress, had they been able to satisfy, at a stroke as it were, the full force of the national demand. They were accordingly blamed because their gains were not as far-reaching as public opinion desired; the consideration that the work accomplished had called for skill, courage, and a statesmanlike sense of compromise being entirely overlooked. Indeed, their very utilization in such admirable fashion of the opportunities provided under the new Reforms, had called into existence a formidable opposition determined to wrest from them the position they had enjoyed during the preceding three years. Worst of all from the point of view of their election chances, was the fact that the Liberal Party were in many quarters identified with Government. Both in the Central and in the Local Legislatures, they had courageously lent their support to the official policy against which the non-co-operation campaign had dashed itself only to be shattered. The support which they had rendered to Government in times of crisis had been of incalculable moral value to the Executive; and it is

Little Credit.

therefore no wonder that disillusioned non-co-operators blamed the Liberals both for the whole break-down of Mr. Gandhi's campaign, and for the imprisonment of the Mahatma himself. In the Provinces also, as we have noticed in a previous chapter, there had been a failure on the part of public opinion to distinguish between the reserved and the transferred sides of the Government. The ministers had been popularly identified with the executive councillors, and regarded as little else than an additional wing of the Bureaucracy. This misapprehension, strengthened as it was by the fact that Liberal Ministers generally supported their executive colleagues when the exigencies of the political situation demanded strong action, was not counterbalanced by any such development in the " National Building " Departments as might have enabled the ministerial party to appeal with confidence to the electorate on the merits of their record. This state of affairs was in no way the fault of the ministers themselves. Considering the financial disabilities under which the Reformed Constitution laboured, the progress achieved in almost every part of the country in such spheres as education, public health, sanitation, industrial expansion, and the like, must be pronounced creditable. But the fact remains that nowhere had it been possible to register any such dramatic achievements as alone could have appealed to the imagination of the electorate. Moreover, it must be remembered, the practical good sense of the Liberals, which had induced them to come forward and accept office when they judged their duty to the country demanded such action, had long been imputed to them as a reproach when the catch-word of self-sacrifice was on the lips of their opponents. In short, at a time when the principal title to the favour of an untried and uninstructed electorate was uncompromising opposition to Government; and when the greatest patriot was he who had suffered the longest term of imprisonment for defiance of Government orders, the Liberals were identified, partly by the course of events, and partly by the skilful propaganda of their antagonists, with all that for which Government stood. Further, it cannot be denied that their three years' monopoly of power in the Council had to some extent weakened their coherence as a party. The absence from the Legislatures, both Central and Local, of any body of opinion which might have presented a clear cut opposition to liberal policy, was productive of unfortunate results from the party standpoint. There was

Their Identification with Official Policy.

Political Consequences of Financial Stringency.

Office-holding a Reproach.

a natural tendency for the elected members of the Legislature to form themselves into groups and caves. Opposition to ministerial policy crystallised round personal differences rather than along the lines of divergent opinion. In the Legislatures, the elected members, while suffering in popular estimation from their general support of Government policy, tended to slip into the attitude of general opposition to the executive characteristic of the Minto-Morley Councils, thus losing for themselves such solid advantages as they might otherwise have reaped from their participation in the work of government. This became particularly noticeable in the course of the summer of 1923. There can indeed be little doubt that the openly expressed dissatisfaction of the Liberal Party with the working of the Reforms, arising particularly out of Lord Reading's certification of the salt tax, so far from commending them to the favour of the electorate, was received by their opponents as a condemnation out of their own mouths of the whole policy which they had been pursuing for the last three years. In other words, their doubts and hesitations as to the efficacy of the Reforms, their lack of confidence in the rightness of the course they had been steering, appeared, alike to their opponents and to their constituencies, as an acknowledgment of defeat and as a manifestation of despair. They were as a rule unfitted both by their experience of administrative difficulties, and by their temperamental reasonableness, to outshine the Swarajists in the popular pursuit of vilifying the Government; yet in the judgment of many, their condemnation of official policy appeared as nothing more than an effort directed towards this end. Further, the loss of reputation which they suffered in consequence of the salt tax incident was greatly aggravated through the announcement, but a few months prior to the elections, of the Kenya decision. Their natural disappointment, and their strongly voiced disapproval of the policy of the British Government, were accepted among their opponents as but another sympton that the Liberals were repenting of the part they had played in the operation of the Reforms. Thus discouraged, disunited among themselves, with no effective party organization, the Liberals entered the fight against their Swarajist opponents.

Effects of their Tenure of Power.

Their Loss of Confidence.

While the Swarajists naturally profited from the weakness of the Liberal position, and from their skilful identification of the Moderate Party with the misdeeds of the Executive, they themselves

Position of the Swarajists.

enjoyed certain additional advantages denied to their opponents. It is impossible to overestimate the value of the permission they had received from the Delhi Special Congress to contest the elections. While in theory the Swarajists remained a separate organization within the Congress, they did not fail to enjoy the advantages naturally arising from their intimate connection with that body. This association gave them the right to utilize Mr. Gandhi's name. They came before the electorate as his men; pledged to achieve the objects to which he had devoted himself, although at the cost of a certain deviation, from his policy. They issued a party manifesto, in which they laid stress upon the fact that they were entering the Councils in order to ensure that the new constitutional machinery should not be exploited for anti-national purposes. They intended to present an ultimatum to Government, demanding the right of the Indian people to control their own destiny. In the event of the demand being refused, the party pledged itself to a policy of "uniform, continuous and consistent obstruction with a view to make Government through the Assembly and the Councils impossible." The Swarajists were therefore able to maintain that their position was a logical development from the principles of Mr. Gandhi's original campaign. The only distinction, so they argued, was that instead of attempting to destroy the Councils by boycott—a project which had now been proved impracticable—they had set themselves to wreck the machinery of the constitution from within. That this change was in effect one of vital principle, was a point upon which, for obvious reasons, they laid little stress. Mr. Gandhi had regarded the Councils as something unholy; something with which no patriotic Indian ought to defile himself by contact. There was all the difference between such a position, and the programme now marked out by the Swaraj Party. For whatever their ultimate intentions might be, it was impossible to disguise the fact they they were in effect associating themselves with the machinery of the new constitution.

Co-operation or Non-Co-operation?

This machinery, it is true, they proposed to utilise for their own purposes, and, if those purposes were not achieved, to wreck. But the fact remained that they were accepting its existence at least as a starting point; that they were entering the Councils and transferring to the constitutional sphere a large proportion of those activities which had hitherto been operative only in the wilderness of extra-constitutional effort. This fundamental departure from the old principles of the non-co-operation campaign had of course for long been perceived by the no-change

party; who did their best to hinder the Swarajists from employing the influence of the Congress machinery in furtherance of their own candidature. But the fact that the Swarajists presented a policy which, in contrast to the blind alley the no-changers were following, revealed real possibilities of advance, was of itself sufficient to commend them to the favour of a predominant portion of nationalist opinion. With the prestige of Mr. Gandhi behind them, the Swarajists were thus enabled to conduct a campaign of great vigour, against which the Liberals could oppose little but the individual prestige of prominent party representatives. Indeed, the programme of the Swarajists was from every point of view calculated to overshadow that of the Liberals. When both parties attacked Government, the advantage naturally lay with those who conducted the attack with greater virulence and less restraint. There was scarcely a point put forward by the Swarajist which the Liberals were able effectively to controvert. The Swarajists stated that the Reforms were unsatisfactory; that immediate advance was essential; that the utmost pressure must be brought to bear upon the Executive; that the Kenya decision was monstrous. To all these statements the Liberals could only register their agreement. They had indeed an opportunity of overbidding their opponents, when the news of Sir Tej Bahadur Sapru's triumph at the Imperial Conference came to hand. But this news arrived too late to exercise a serious influence upon the course of the election; and was promptly discounted by the whole force of the Swaraj party machine. In a word, to oppose the compact, unified, and well disciplined Swaraj Party, who enjoyed a position of predominant advantage owing to the prevailing political atmosphere, the Liberals could put forward only a disorganized band of non-obstructionist candidates of varying shades of moderate or extreme opinion, who appeared oblivious of the necessity of sinking differences on minor issues in order to secure compactness and efficiency.

A Powerful Programme.

As to the manner in which the elections contests were conducted, there is not much to be said. There were the usual complaints from both sides of unfair tactics; but in general it seems that the fight was cleanly conducted. The number of voters appearing at the polls was everywhere much greater than had been the case in the first election. Proportions of forty and fifty per cent. were quite common in some hotly contested constituencies. For the Legislative Assembly itself, out of some 800,000 voters in contested constituencies more than 350,000

Conduct of the Elections.

registered their votes. In certain places it was noticed that the Swarajists, owing to their superior organization and their refusal to permit of split votes, captured the majority of the seats with the aid of a minority of the voters.

Result of the Elections.

With all the advantages they enjoyed, it is a matter of surprise that the Swaraj candidates were not as a whole returned in greater numbers. Only in the Central Provinces did they enjoy a clear majority over all parties. In Bengal, they represented the strongest individual group; but without the aid of a coalition, could not hope to enjoy supremacy. In Bombay and in the United Provinces, although they were returned in considerable numbers, they did not constitute the largest group. In Madras, they were but a handful as compared with the Ministerialists. In the Punjab and in Bihar and Orissa they were extremely weak. In the Central Legislature, upon which they had concentrated a large proportion of their forces, they succeeded in capturing just under half the elected seats in the Assembly. The fact is, that while the Swarajists had been very largely successful in displacing the Liberals, against whom they had directed so much of their heavy artillery, their success against Independents of the land-holding class, and other men of local influence in their constituency, was very much less striking. The victory was however a real one; the result of the elections enabled the Swarajists to displace their Moderate rivals as the exponents of the political ideals of the Indian intelligentia.

Strength and Weakness of the Swarajists.

The year closed, as usual, with the meetings of the two great parties representative of non-official opinion. The National Congress, which met at Coconada in the Madras Presidency, was confronted with three principal problems. The first was the task of maintaining a working harmony between the triumphant Swarajists and the still considerable element of "no-changers," who adhered to the ideas of Mr. Gandhi's original campaign. With this was intimately connected the second problem, that of laying down a constructive policy for the ensuing year—a policy to which both parties could give their adherence. But the third, and perhaps the most formidable, was that of communal dissensions. It may well be doubted whether any of these problems was susceptible in December 1923 of a real solution. Each one was so complex; was attended by interests so diverse; and contained in itself elements of such danger; that the Congress probably did very well when it con-

Problems before the National Congress.

trived to avoid an actual split. No real adjustment of the relations between the Swarajists and the no-changers was found to be possible; although at the cost of consistency a definite breach was again averted. The Delhi compromise was re-affirmed; but so also was Mr. Gandhi's original programme of the triple boycott in which the boycott of Councils was included. The programme of constructive work was again put forward; and the Working Committee was asked to arrange for a scheme of departmental organization which should facilitate progress along the lines laid down. It is significant, however, that the desire of ce tain sections to alter the Congress "creed" in such a manner as to lay down complete independence as the goal to be achieved, was discountenanced by the majority of the leaders present. There was indeed a general reluctance to increase the fuel upon which the flames of dissension were still feeding; and the resolutions of the Congress were therefore as a whole couched in more general terms than in preceding years. The gathering was naturally no more successful in its attempt to heal communal dissensions. There was a general feeling that Hindu-Muslim tension could only be alleviated along certain broad lines of all-India policy; and much attention was devoted to the consideration of measures designed for this end. The "National Pact" was referred for re-examination to a Committee; but Mr. Das's draft "Bengal Pact" excited great opposition among the majority of Hindu delegates. It is however to be noticed that the Khilafat Conference, which sat side by side with the Indian National Congress, was much attracted by the "Bengal Pact"; and referred this agreement, together with the "National Pact" to its own committee for examination. In many ways the most important feature of the meeting at Coconada was the strengthening of the Swaraj Party machinery. Since as a result of the confirmation both of the Delhi compromise and of the triple boycott, it seemed likely that both the changers and the no-changers would be free to pursue their own course,

Swaraj Party Organisation.

the Swarajist leaders determined to cement in the most effective manner the discipline of their group. The General Council of the Swaraj Party accordingly laid down certain rules for the conduct of party members in every Legislature, declaring that candidates elected on the Swaraj ticket would be held rigorously to their pledge. It was determined that the demand the party proposed to present to Government should take the shape of an ultimatum calling for the release of all political prisoners, for the repeal of all repressive laws, and for the summoning of a National Convention to lay down the lines of the future consti-

tution for India. The policy of obstruction and wreckage which would be pursued in the event of Government proving recalcitrant, was again reiterated. It was further laid down that no member of the Swaraj Party was to accept office, to offer himself as a candidate for Select Committees or to accept a seat thereon ; and that no member was to take part as an individual in the ordinary current business of the House. Point was lent to the first of these restrictions by the fact that the both in the Central Provinces and in Bengal, the leaders of the Swaraj Party, as representing in one case a clear majority, and in the other the largest group, of the elected members, had been invited to constitute a Ministry. In both cases the invitation had been refused ; with the consequence that the Governor concerned had felt himself obliged to nominate as his Ministers gentlemen who did not command a majority of votes in the Council.

The Liberal Federation.

The Liberal Federation met at Poona under the shadow of its heavy defeat at the polls. But the proceedings revealed no symptoms of discouragement. Sir Tej Bahadur Sapru, who presided, had recently enjoyed a personal triumph at the Imperial Conference, as a result of which he had opened a door leading to the reconsideration of the Kenya decision. There was a general disposition to attribute the failure of the party in the recent elections to the unfavourable circumstances in which the campaign had been conducted rather than to any mistakes which had characterised the Liberal policy during the preceding three years. Indeed that policy was re-affirmed with added emphasis, and the majority of delegates present endorsed in the strongest terms their faith in constitutional methods of political advance. The fact that the Swarajists had been obliged to follow the lead of the Liberals, and to enter the Reformed Councils, was in itself no small solatium. But it is also to be noticed that great pains were taken to demonstrate the falsity of the accusation, so freely put forward by the Swarajists, that the Liberals were a mere appendage of the Executive Government. The party bound itself to press immediately for a revision of the existing constitution, displaying no less anxiety than the Swarajists themselves for early constitutional advance. As in previous years, the resolutions moved were of a most business like character, being directly associated with practical measures for the achievement of practical ends. The Conference, for example, laid down a series of clear-cut proposals for accelerating the Indianization of the Army and the Public Services. They also pressed for radical retrenchment in military expenditure. They were equally uncompro-

mising in the matter of the grievances of Indians Overseas. They further revealed their acumen by laying stress upon the necessity for a whole time party organization supported by adequate funds.

The year 1924 therefore opened with the Swarajists in the Councils and most of the Liberals outside. Both parties were in good heart; the Swarajists because they had triumphed at the poll; the Liberals because they regarded the new position of the Swarajist as demonstrating the correctness of their own policy. But while in the matter of tactics, the two parties were radically divided, there was a substantial identity in their aim. In the first place, both Swarajists and Liberals were determined to press for early constitutional advance. They both agreed that the present constitution was unsatisfactory from the point of view of the national aspirations of India. They were both determined, each in their own particular manner, to bring pressure upon the Executive in order to force an early revision of the constitution. Both were agreed upon the necessity of taking measures to vindicate the rights of Indians Overseas; both looked forward to the Indianization of the Army and of the Public Services; to the institution of a protective tariff; and to the encouragement of national industries. On the other hand, in methods there was much difference between the two. The recent political change in England which had brought the Labour Party into power, inspired the Liberals with the hope that a concession of some kind would soon be made to India's desire for constitutional advance. They were accordingly disposed, while not ceasing to press their point of view on the authorities, to refrain from such action as might be embarrassing to His Majesty's Government. And while they regarded the machinery of the Government of India Act as unsatisfactory, they were content to operate, as it were, within the general scheme for which that Act stood. They desired the early appointment of a Royal Commission to revise the existing constitution. They complained that the rate of advance had been too slow; and they demanded its acceleration. But as practical men they showed no disposition to quarrel with the general line of procedure foreshadowed in the declaration of August 20th, 1917, and since followed by British statesmen. They stood uncompromisingly for progress; but for progress by constitutional development from the foundations already laid. On the other hand the attitude of the Swarajists was entirely different. They were inclined to question the rightness of the entire premises

The Year 1924: Aims of Swarajists and of Liberals.

Divergent Methods.

upon which the scheme of Indian Constitutional advance had hitherto been based. In particular, they did not accept the preamble of the Government of India Act, which made the British Parliament a judge of the time and manner of India's progress. They desired to set up their own machinery for the complete overhauling not merely of the existing constitutional position, but of the whole theory of the relations between India and the British Parliament. At the same time, it was very doubtful whether their position was strong enough in the Legislature to enable them successfully to undertake a programme so radical. Where circumstances were in their favour, however, they shortly proceeded to carry out their pledges. In the Central Provinces, after the Swarajist leaders had refused to accept office as Ministers, they proceeded to vote down every Government measure indiscriminately. They carried a vote of want of confidence against the Ministers, and followed this up at a later stage by fixing the Ministerial salaries at the farcical figure of Rs. 2 per annum. When the budget of the Central Provinces Government was presented, the Swarajist majority refused all the supplies which it lay in their power to vote. The Governor was thereupon obliged to put into operation the emergency powers conferred upon him by the constitution. So far as the reserved subjects were concerned, the expenditure which the Council had refused to sanction was restored, with the exception of some items which could be postponed without serious hinderance to the administration. In the sphere of the transferred subjects the consequences of their action were more serious; for the Governor's power was limited to providing those funds which he considered indispensable for carrying on the essential functions of a civilised Government. Had full effect been given to the Council's vote, colleges and schools would have been closed; the work of hospitals and dispensaries would have come to a standstill; roads and buildings would no longer have been kept in repair; and thousands of officials belonging to various grades in the provincial services would have been dismissed. In a word, from the point of view of the general public, government would have been limited to the bare requirements of law and order. All "beneficent" activities would have been suspended. It was considered necessary to obviate consequences so serious; and although all schemes of development and new expenditure on the transferred side were held in abeyance; the essential services were maintained. But since the Council had refused to vote salaries for the Ministers, the office of Minister could not be filled; and

Swarajist Tactics.

In the Central Provinces.

the Governor was obliged to take over the administration of the transferred subjects, the Central Provinces being thus deprived of the most important advance towards self-Government made by the Government of India Act. It is thus plain that in this locality the professed objects of the Swaraj Party in their most absolute form have been achieved. The result of their action would doubtless have been attended by no little political danger to themselves, had the Central Provinces possessed an educated and instructed electorate. On the other hand, it must be remembered that while the Swarajists have succeeded in securing the temporary suspension of the most characteristic features of the reformed constitution, they have altogether failed to bring the machinery of Government to a standstill. They have taken full advantage of the present divorce between power and responsibility which has proved in practice a feature of the new constitution; but it is yet to be seen whether by doing so they have accelerated in any degree the political advance which is their main object. And unless this should prove to be the case, history will assuredly condemn their demonstration as an expensive failure.

We have seen that in the case of the Central Provinces, the Swaraj Party employed their power in a manner at once ruthless and effective.

In other Local Legislatures.

Elsewhere, in the majority of provincial legislatures, they were far less successful. Their strength as a rule only enabled them to exert pressure upon the Executive when they operated in combination with other Parties. And as it was their professed intention to avoid defeat in the lobby, their opportunities for influencing the course of business were strictly limited. In the Punjab, in the United Provinces, in Bihar and Orissa, in Madras and in Bombay, the new Councils did not display any disposition markedly different from their predecessors. In Bengal, on the other hand, the Swarajists succeeded in forming a coalition consisting largely of Muhammadan members attracted by the "Bengal Pact," which during the earlier part of the session gave them a majority inside the House. They succeeded in carrying resolutions demanding the release of political prisoners, despite the recrudescence of the anarchic movement to which reference has been made in a previous chapter. They also succeeded by one single vote in refusing to grant salaries to the Ministers and they threw out the important head of General Administration from among the Demands for Grants which the Executive placed before them. But on the whole, their success in Bengal, despite

In Bengal.

the personal leadership of Mr. C. R. Das, was considerably less striking. Their working majority, even with the aid of the coalition, was so narrow that it was liable to reversal and on more than one occasion they sustained a defeat, notably in their attempt to throw out the Police Budget. Before the end of the session a rally of a considerable number of non-obstructionists in response to an appeal made by the Governor, combined with symptoms of growing independence on the part of the Muhammadan bloc, rendered the position of the Swarajists more precarious than ever. On the whole, the Bengal Administration emerged from the first session without serious embarrassment.

The Central Legislature.

While in the Provincial sphere the Swarajists were successful in making their influence felt only in two Councils, the conduct of their business in the Central Legislature proved to be a dominating feature of the session. The new Assembly was very different from its predecessor. Many prominent Liberals had disappeared, and their places were taken by members of the Swaraj Party. There was a strong section of Independents but they included many new men. There were indeed certain notable figures, who provided a link with the old House, while as a result of the process of nomination certain members of the former Liberal group were found in their accustomed places. But the new House differed from the old in including a large number of those leaders whose names are well-known in Indian Nationalist circles. Among them may be mentioned Pandit Madan Mohan Malaviya, Pandit Motilal Nehru, Mr. V. J. Patel, Mr. M. A. Jinnah, Lala Hans Raj, Mr. Bepin Chandra Pal and Sir Purshotamdas Thakurdas. Out of the total strength of some 140 members, the Swarajists counted 45 adherents in the Assembly. But their strength consisted in the fact that they were compact and well disciplined. The conservatives and official elements formed a bloc of approximately the same strength; and the balance of the Chamber was composed of Independents of one kind or another. By profession, the second Legislative Assembly, like the first, was predominantly a gathering of lawyers. But with the exception of some twenty or thirty well-known figures of various political complexion, the average age of the rank and file of the new Legislative Assembly was distinctly lower than that of its predecessor.

The Viceroy's Speech.

According to precedent, the business of the Session began by the members taking their oath of allegiance. On January 31st, 1924, Lord Reading formally opened the new Session. As usual, his speech contained a clear summary

of current events. As His Excellency's announcements upon these topics have been referred to in other places, it is only necessary here to mention that he dealt with the successful conclusion of Peace with Turkey; with the easing of the Afghan tension; and with the position of Indians Overseas. In connection with this last matter, His Excellency struck a hopeful note, reminding the Legislature of the advantages which the country had derived from the Imperial Conference, and pledging his Government to maintain the utmost vigilance in safeguarding the interests of Indians abroad. Somewhat naturally, it was Lord Reading's remarks concerning the internal situation which excited the greatest interest among his hearers. He sounded a note of serious warning regarding the recrudescence of anarchy in Bengal; and explained the reasons which had led his Government to confine certain of the persons concerned in conspiracy under the provisions of Regulation III of 1818. He referred in detail to the precautions which the Administration was taking in order to prevent abuse of these emergency measures; and he affirmed that every care would be taken to see that no individual suffered injustice because of the gravity of the situation, or would be deprived of his right to an impartial investigation of the charges made against him on account of the immediate necessity of preventive measures. Adverting to the question of constitutional advance, Lord Reading stated that the recent change of Government in England rendered it incumbent upon him to refrain from certain observations he would otherwise have been tempted to offer; he made it clear however, that the policy of the Reforms had been introduced with the approval of all political parties; that it was the policy of the British nation; and was unlikely to be affected in its essentials by current political changes. He concluded his address by deprecating any such check to the progress of the Reforms as might be constituted by an attempt to destroy their continuity. He emphasised the fact that no change of a constitutional and peaceful character could be effected save with the consent of the British Parliament, who would emphatically repudiate and reject an attempt to force their hand by violently destructive methods. He appealed for calm judgment and mutual understanding in order that the new Legislature might carry India forward to the fulfilment of her legitimate aims.

Formation of the Nationalist Party.

It was early apparent to the leaders of the Swaraj Party that without the assistance of a substantial number of votes from individuals outside their organization, they would be unable to command a majority in the Legislature.

They found their opportunity of attracting allies in the existence of a general desire, common to all the elected members in the House, for further constitutional advance. A Resolution had been tabled by Mr. Rangachariar, recommending the Governor General in Council to take steps to revise the Government of India Act in such a manner as to secure for India Provincial Autonomy in the Provinces and full self-governing Dominion status within the Empire. While this proposition was far less radical than that to which the Swarajists had committed themselves in their election campaign, it provided them with an opportunity of coming to terms with a certain number of Independents. By February 6th, a coalition of some 70 members had been formed, who agreed that if Government made no satisfactory response to a resolution demanding immediate constitutional progress, a policy of obstruction would be initiated by the combined group which, subsequently became known as the Nationalist Party. It did not escape the notice of observers that the formation of such a coalition indicated a further departure by the Swarajists from the inherent principles of Mr. Gandhi's non-co-operation campaign. The Independents who had joined the Swarajists in the formation of the Nationalist Party were very far from favouring tactics of wreckage and destruction; and it was therefore plain that at least so far as their action inside the House was concerned, the Swarajists were committed to constitutional methods of procedure. It is further to be noticed that the Independent members of the Nationalist Party stipulated that obstruction should never be launched unless it was agreed to by three-fourths of the combined strength. Several prominent Independents were not satisfied even by this precaution, and strenuously refused to compromise their future actions by setting their hand to any pledge.

Mr. Rangachariar's Resolution.

The debate on Mr. Rangachariar's resolution was by far the most momentous of the whole Session. It lasted for three whole days, and was largely responsible for determining the relations between the Legislature and the Executive for the remainder of the period during which the House was sitting. The Nationalist Party had agreed to throw their weight in support of the amendment put forward by Mr. Motilal Nehru, which called for the convening of a Round Table Conference to recommend a scheme for the establishment of full responsible government in India. This scheme, after being placed before a newly elected Legislature, was to be submitted to the British Parliament for embodiment in a Statute. Early in the debate, a clear-cut division manifested

itself between the non-official and the official side of the House. Mr. Rangachariar in moving his motion stated that after three years' experience he was convinced that the present constitutional machinery was unsuited to the country's true advancement. Everyone, he said, was dissatisfied with the existing scheme; and the time was now ripe for its revision. Sir Malcolm Hailey, who was then Home Member, took an early opportunity of indicating the attitude of Government. He stated that the many interests concerned had a right to know if any radical change in the system of administration was contemplated at an early date. He stated in emphatic terms that the answer was in the negative. The demand for immediate Dominion status was entirely new; and it was inconsistent with comparatively recent pronouncements made by leaders on the non-official side of the House. It was, further, inconsistent with the specific provision of the Government of India Act that advance towards self-government was to take the form of successive stages. He also pointed out some of the difficulties which stood in the way of the grant of Home Rule on Dominion lines; mentioning in particular India's inability to conduct her own defence unaided; the constitutional position of the Indian States; and the grave problem presented by the minority communities. He did not say that these problems were insoluble, but he maintained that some promise of their eventual solution was a condition precedent to the constitutional change now demanded. But neither His Majesty's Government nor the Government of India had any desire to stand still. Sir Malcolm promised an immediate investigation of complaints against the working of the present scheme. In a subsequent speech he amplified the announcement by stating that if the enquiry revealed the possibility of advance within the Act, the Government of India were willing to make recommendations to that effect. On the other hand, if no advance was found possible without amending the constitution, the question of immediate progress must be regarded as an entirely open issue. He promised that the results of the investigation, before being finally presented to Parliament, would, if the Secretary of State permitted, be fully discussed in the Indian Legislature and elsewhere. This announcement, coming as it did with the full authority of His Majesty's Government caused great disappointment to the non-official members of the Legislature. It soon became clear that there was no possibility of rapprochement between the official and non-official sides of the House. Member after member em-

Attitude of Government.

Its Effect.

phasised the unanimity with which all sections of politically-minded India combined to demand immediate political advance. But most remarkable of all were the tone and temper of the speeches delivered by the leaders of the Swaraj Party. Mr. Motilal Nehru, while challenging the justice of the Preamble of the Government of India Act, made it plain that his party could not be dismissed as wreckers. He was not asking for responsible government to be handed over, as it were; tied up in a bundle. His party had come there to offer their co-operation. If the Government would receive this co-operation, they would find that the Swarajists were their men. If not, the Swarajists would stand on their rights, and continue to be non-co-operators.

Attitude of the Swarajists and others.

The difficulties which the Home Member had urged as combining to hinder the immediate grant of responsible government were, said Mr. Motilal Nehru, fully provided for by the machinery of the Round Table Conference. He urged in conclusion, that the opportunity offered at the present juncture should not be thrown away; for no good was done by a continuance of the circumstances in which a section of the community were standing outside the constitution. The effect of this speech was enhanced by a large number of other representations. Among them may be mentioned that of Sir Sivaswami Aiyer, who, while dissociating himself from the motion to call a Round Table Conference, and preferring the Royal Commission method prescribed by the Act, dwelt upon the hostility now manifested by the people of India towards the Administration. He pressed for an immediate change in the existing constitutional machinery, lest this hostility should spread into irrational hatred of all things British, such as would work irreparable damage to the Indo-British connection. Broadly speaking, the only dissentient voices on the non-official side were those of certain representatives of minority communities. These speakers, for the most part either European or Mussulman, urged that the settlement of communal differences must precede further constitutional advance. Very interesting in this connection was the contribution made to the debate by Captain Hira Singh, a representative not of the intelligenzia but of the martial classes. He stated that his objection to immediate constitutional advance was based upon the fact that his countrymen, while fitted for high administrative positions in civil life, were still unable to control the complicated and powerful machine of the Indian Army. He pointed out that in the past, armies had frequently played their own part in the course of politics; and he felt sure that for

Dissentients.

the present it would not be safe to entrust the Indian forces to any other agency than the existing higher command. In the space at our disposal it is unfortunately impossible to mention the many striking speeches which were delivered both on the main resolution and on the various amendments supplementary thereto. Several Independent members, notably Dr. Gour, and Mr. Bepin Chandra Pal, urged Government to adopt some formula or principle of conciliation. There was also a considerable body of opinion in favour of allowing the administration recently called to power in England an opportunity of making up their minds as to the situation in India. But the compact and well-disciplined forces of the Nationalist Party made it apparent that Mr. Motilal Nehru's amendment would be carried. Indeed, in the last resort Mr. Rangachariar withdrew his main resolution in its favour. Speakers on the Government side did not fail to argue the difficulties of applying to conditions in India any such theoretical maxims as the principle of self-determination. They also made much play with the discrepancy between Swarajist declarations outside the Council; and the professions of the party leaders since they had allied themselves with a section of the Independents. Mr. Patel emphasised once more that the Swarajists had never accepted the preamble to the Government of India Act, making the British Parliament judges of the time and measure of India's constitutional advance; but did not explain the contrast between the old principles of non-co-operation and the attitude that the Swaraj Party was now adopting. The Independents, for their part, were only concerned with the operations of the Swarajist within the walls of the House; and were not to be detached from their Allies by any reminders of formal election pledges. In the event Mr. Motilal Nehru's amendment was carried by 64 votes to 48, practically all the elected members of the House entering the Lobby in its support.

Course of the Debate.

Conclusion.

For the remainder of the Session the business of the House was very largely controlled by the Swarajists, whose party discipline generally succeeded in securing them a working majority in the conclaves of the Nationalist group. The dissatisfaction of the generality of Independent members with the attitude which Government had taken up in the matter of constitutional reform, rendered them as a rule willing to follow the lead of the Swarajists. But the path of the Swarajists was not free from difficulties. On more than one occasion during the

Swarajists' Dominance and Difficulties.

remainder of the Session, communal differences threatened to raise their heads; and troubles were only averted by the personal appeals of the distinguished leaders. Further, it is highly probable that the Swarajists were somewhat anxious as to their relations, present and future, with Mr. Gandhi. Mr. Gandhi's health had for some time been unsatisfactory; and early in January, symptoms of appendicitis developed. Great anxiety was displayed all over India, irrespective of political considerations, at Mr. Gandhi's precarious condition. But on the 12th January, an operation was successfully performed; and a wave of relief spread over the country. This was coupled by urgent demands from many sections of public opinion that Mr. Gandhi should be released. As his health continued to cause anxiety to his medical advisers, the Government of Bombay announced in February 5th that in deference to the opinion of the doctors, they had decided that Mr. Gandhi should be removed to the sea side for a prolonged period of convalescence. With the concurrence of the Government of India, they further determined to remit unconditionally the unexpired portion of his sentence. For some time Mr. Gandhi was too weak to familiarise himself with the intricacies of current politics; but in a published letter he proceeded before long to express his adherence to the original plan of the triple boycott. The position of the Swarajist leaders thus became delicate. It is generally understood from the newspaper press that they took an early opportunity of approaching him with the request that, pending his final decision upon the considerations which had induced them to depart from his boycott of the Councils, he would suffer them to continue as members of the Central and the Local Legislatures. Mr. Gandhi, influenced by the fact that he was still far from being in health, consented. It may however be noted that subsequent to the termination of the Session, he resumed his discussion with the Swarajist leaders; and up to the moment when this Statement was being prepared, it would appear that no agreement had been arrived at.

Release of Mr. Gandhi.

For the moment, however, the danger was averted, and the Swarajists were enabled to consolidate their position in the Assembly. The most notable feature of the remainder of the Session was their handling of the Budget. With the broader characteristics of this incident we have dealt in a previous chapter. It will be recalled that the Assembly, dominated by the Nationalist Party, took the unprecedented course of throwing out the first four heads under the demand for grants. Pundit Motilal

The Budget.

Nehru made it clear from the outset that his motion was not concerned with the various items included in the demands. His party proposed on general grounds to refuse the money vote because of their grievances against the Government of India. In this connection, he referrred particularly to the statement made shortly before by Lord Olivier in the House of Lords. Mr. Motilal Nehru while thanking the Secretary of State for the tone and temper of his speech, which was on the whole extremely gratifying to Indian opinion, remarked that in so far as the Secretary of State's remarks reaffirmed the attitude taken up by Government in the matter of constitutional advance, it could only be considered as a refusal of the Indian demand. Mr. Motilal continued that his present motion had nothing to do with the wrecking or destroying policy of the non-co-operators; and was in effect a perfectly constitutional and legitimate means of drawing attention to the grievances of the country. From the official side an endeavour was made to demonstrate that such refusal of supply as Mr. Motilal Nehru contemplated, was quite unjustified by the circumstances of the case; being further vitiated by an essential unreality, since the Nationalist Party knew full well that the disastrous consequences of any such action would be obviated by the employment of the Governor General's emergency powers. These arguments produced some effect; but the majority of Independent members were attracted by the idea of registering their disappointment in what they regarded as a manner based upon English constitutional precedent. They had hoped very much from the accession to power of the Labour Party; and they did not understand the Secretary of State's endorsement of the necessity, already plainly emphasised by the Government of India, for systematic and orderly progress, as opposed to sudden and violent change, in Indian affairs. Accordingly, Mr. Motilal's motion for the omission of the first demand was carried by 63 votes against 56. The next three demands were also rejected by narrow majorities, despite the protests of certain Independent members. On the next day, the 11th March, Pundit Motilal Nehru announced that the Nationalist Party, judging that they had established the principle for which they had contended, thought it unnecessary to continue the same procedure with regard to subsequent demands. A prominent Independent member of the same party, Mr. M. A. Jinnah, spoke to similar effect; further denying that there was any idea in the mind of the Nationalists of resorting to such extra-constitutional methods as a campaign

Speech of the Secretary of State.

A Political Protest.

of civil disobedience or an attempt to encourage the non-payment of taxes. On the 17th March, however, when the Finance Bill was to be taken into consideration, another member of the Nationalist Party, Pundit Madan Mohan Malaviya, opposed the introduction on general political grounds. There were distinct signs that the refusal of leave to introduce did not commend itself to a number of elected members, who were impressed by the consideration that since the House had voted the immense preponderance of the budget items they could hardly, with due regard to consistency, refuse the means for the expenditure they had already sanctioned. The discipline of the Nationalist Party was however strong enough to secure the rejection of leave to introduce the Finance Bill by 60 votes against 57. As has been pointed out in another place, the treatment received by the Bill in the Council of State was very different. Not only did that House pass the measure without division at any stage; but some of its most prominent elected members emphatically dissociated themselves from, and severely condemned, the manner in which the Assembly had dealt with it.

The Finance Bill in the Assembly.

And in the Council of State.

Opinions may well differ as to the expediency, still more the defensibility, of the action which the Nationalist Party had taken under the lead of the Swarajists; but it is impossible to deny that the course which they followed was in form constitutional. The analogies cited from British History regarding the postponement of supply to redress of grievances, may have had in strictness little application to Indian conditions; but their influence upon the minds of the Swarajist leaders was abundantly evident. In short, in their treatment of the Budget as well as in their conduct during other episodes of the Session, the Swarajists must be considered to have played the part of an accredited constitutional opposition within the Council. As was forcibly pointed out on one occasion by a distinguished Independent member, Mr. Bepin Chandra Pal, the gulf which now separated the Swarajists from non-co-operation as understood by Mr. Gandhi was considerable. They had stood for constituencies created under the Government of India Act; they were conforming to the rules of the House which were also a product of that Act; how was it possible to maintain that they did not accept the Act at least as a *de facto* basis from which to advance? The justice of these observations was indeed amply borne out by the course of the session. The Swarajists, by their entry into the Councils,

The Swarajists as a Constitutional Opposition.

demonstrated that they were playing their part in the progress of the reformed Government; nay more, they were utilising the machinery set up by the Government of India Act to record a constitutional protest in a constitutional manner. It is indeed impossible to find clearer proof of the departure of the Swarajists from the fundamental principles of Mr. Gandhi's campaign than is supplied by the record of the proceedings of the first Assembly in which they took part. So far from indulging in the wholesale programme of obstruction and wreckage upon which they had at one time laid stress, they took a prominent part in the ordinary business of the House.

Defeats of Government.

Secure in the majority guaranteed by the discipline of the Nationalist Party, the Swarajist leaders and their Independent colleagues proceeded to inflict a series of defeats upon Government. Among the most notable of these may be mentioned the passing of resolutions calling for the release of certain political prisoners; for the repeal of Regulation III of 1818; for the imposition of a countervailing duty on South African coal imported into India; and for the appointment of a committee of enquiry into the Sikh situation. This last matter has bulked so prominently in the internal politics of India during the last two years, despite its predominantly local significance, that a short explanation is required.

The Sikh Situation.

In previous Statements mention has been made of the dissensions which have lately sprung up between different sections of the Sikh community regarding the possession of the many shrines of the Sikh faith which are scattered over the Punjab. The matter is complicated by the fact that most of these shrines have been for many years in possession of followers of the earlier Sikh Gurus (teachers), who differ little in their religion from orthodox Hinduism. The followers of the tenth Guru, who constitute the major strength of the Sikh community, have constituted themselves into a reforming sect, whose professed aim it is to redeem the shrines from the maladministration of their incumbents and to apply the proceeds for the spiritual benefit of the community at large. As we noticed in previous reports, the non-co-operation movement has exerted great influence upon the policy of the reformers; so much so indeed that they prefer to dispossess the hereditary incumbents of the shrine by a process of " rabbling " rather than have recourse to the ordinary legal methods. Towards the end of 1920, a body known as the Shriromani Gurdwara Prabandhak Committee, or " Committee for the management of sacred shrines, " was set up. Sikhs of various schools of thought

joined the movement, and the Committee shortly acquired great influence. Owing however, to the methods which it began to employ, the Committee soon became representative of extreme opinion. It organised the Akalis, a militant puritan sect of the Sikhs, into a regular militia for the execution of its behests. Formidable bodies of Akalis, nominally peaceful in their methods, began to occupy, one by one, the shrines which constituted the bone of contention. Disorders arose, of which the most notorious was that which took place at the Nankana Gurdwara in February 1921 ; when the members of an Akali Jatha or band, were massacred by a force of armed men whom the Abbot of the shrine had collected for the purpose of defending himself. This caused a great sensation throughout India, of which the S.G.P. Committee did not fail to take advantage. The fact that Government were obliged to interfere to restrain the activities of the Akalis was represented as being a manifestation of hostility against the Sikh religion. The S.G.P. Committee was therefore enabled gradually to consolidate its hold over Sikh opinion.

The Shriromani Gurdwara Prabandhak Committee.

Relations with Government.

During the course of 1921, the Punjab Government made repeated attempts to introduce legislation to satisfy the reforming party ; but these efforts broke down in the face of the attitude of the S. G. P. Committee, which was undoubtedly much influenced by the non-co-operation campaign. Towards the end of that same year the Committee claimed a triumph over Government in the matter of keys of the Golden Temple, which were handed over to it since no Sikh body was prepared to contest its claims. Throughout 1922, the conduct of the Akalis and the methods they employed for the prosecution of their designs, threatened to constitute a reign of terror in certain parts of the Punjab ; and the local Government was compelled to draft troops to the disturbed areas. Every endeavour was made by the authorities to show that they were animated by no hostility to the Sikhs who desired to reform the Gurdwaras ; they were concerned only with the high-handed oppression which constituted a characteristic feature of the operations of the Akalis. Towards the end of 1922 occurred the Guru-ka-Bagh incident, which was dealt with fully in last year's Statement. It is sufficient here to note that a number of Akalis attempted to cut wood on land which was still retained by an Abbot, who had surrendered possession of the adjacent shrine. The offending men were sent up for trial on the complaint of the Abbot, and were sentenced to

The Guru-ka-Bagh Incident.

imprisonment. The S. G. P. Committee took up the challenge, and despatched a number of Akali jathas to Guru-ka-Bagh. These jathas were stopped by the police and dispersed as unlawful assemblies. A great sensation was created by the fact that the Akalis had taken a vow of non-violence, and offered no resistance to the measures which the police adopted for their dispersion. The matter was temporarily settled by the lease of the land in dispute to a private gentleman ; but the prestige of the S. G. P. Committee was much increased by the incident. Many Abbots hastened to make terms for themselves by voluntarily surrendering the control of their shrines. Early in 1923, the Punjab Government made fresh endeavours to come to terms with the S. G. P. Committee by releasing the majority of prisoners who had been arrested for defiance of the police.

The Patiala-Nabha Case.

But in July 1923 occasion for fresh conflict was found in connection with the Nabha affair. Certain allegations of outrages on the part of officials of the Nabha State towards the officials and subjects of the Maharaja of Patiala had been referred in January 1923 by the Government of India for investigation by a judicial officer of high status. In anticipation of the findings of this judicial officer, the Maharaja of Nabha asked the Government of India to be allowed to sever his connection with the administration of the State. His Highness' request was acceded to and the administration of the State was handed over to the Government of India in trust for the Maharaja's infant son ; the Maharaja binding himself to reside outside the Punjab and being permitted to retain his titles and salute and to receive an allowance from the State revenues. The S. G. P. Committee seized upon these occurrences to commence an agitation for the restoration of the Maharaja of Nabha on the ground that his abdication had not been voluntary, but had been forced upon him by the Government of India. Under the direction of the S. G. P. Committee, meetings were held in various localities pressing for the restoration of the Maharaja. One of these meetings was held in the Gurdwara at Jaiton in Nabha State. At this meeting, which was ostensibly of a religious nature, strongly political and seditious speeches against the administration of the Nabha State and the action of the Government of India were made. The local Nabha State official was eventually compelled to arrest the speakers and to break up the meeting. Certain of the persons arrested were engaged in performing the ceremony of continuous reading of the Sikh scriptures. But this ceremony was not interrupted ; for the place of the man momentarily engaged in reading

the scriptures was taken by another individual who had undergone the proper purification ceremonies. The S. G. P. Committee, however, took advantage of this circumstance to allege that their action in interfering with the affairs of the Nabha State was dictated by religious considerations. Daily Jathas of 25 men were accordingly despatched by the Committee to Jaiton with the ostensible object of continuing the reading of the scriptures which the Committee declared had been interrupted. The Nabha State authorities had no objection to the holding of religious services in the Gurdwara, but demanded undertakings from the daily Jathas that seditious speeches would not be delivered in the Gurdwara and that they should conclude the service within a reasonable time. As such undertakings were not forthcoming, the daily Jathas of Akalis were arrested. These and other activities of the Parbandhak Committee were so frankly political in character, that the Punjab Government were obliged in October 1923 to declare the Committee an illegal association, and to arrest its members. The Committee however was reconstituted, and continued the daily despatch of Jathas of 25 Akalis to Jaiton. In addition to this, every attempt was made by strong propaganda to stir up the feelings of the Sikh community, both against the British Government and against the administration of those Punjab States which declined to allow political agitation within their borders. In January 1924, the Government again took action against the S. G. P. Committee, and arrested certain members who were engaged in holding a meeting. Every care was taken not to offend religious susceptibilities of the Sikhs; and the arrests were affected without disturbance. Nevertheless a fresh sensation was afforded. About the same time an attempt was made to repeat on a smaller scale the Guru-ka-Bagh incident. The small shrine at Bhai Pheru in the Lahore district had been surrendered by its Abbot some time previously to the S. G. P. Committee, in whose favour the Deputy Commissioner lately sanctioned a mutation of the management of the lands attached to the shrine. This mutation was made on the clear condition that if the Committee wished to eject certain tenants, who had from the outset refused to recognise its authority, notices of ejectment must be issued so that the tenants, if they so desired, could file a suit to establish their right to gain possession, These tenants were however forcibly ejected from their possession by a number of Akalis. When the authorities proceeded to arrest the agressors, a series of Akali jathas were despatched to the place in order to repeat the offence. These were also arrested, and the process continued.

Bhai Pheru.

From the very first, however, the action of the Akalis was so contrary to the ordinary rules of propriety that little interest was excited on the part of the general public. But in February the leading spirits of the S. G. P. Committee attempted to bring the Nabha affair to a head.

The Jatha of 25 men which had arrived daily at Jaiton for five months past, and had been arrested without trouble by the Nabha administration, had proved itself to be an ineffective method of agitation. The Committee therefore decided to increase the size of the Jathas; and a Jatha 500 strong, vowed to non-violence and designated "shahidi" (martyr), was despatched from Amritsar at the end of January. It proceeded on foot to Jaiton, a journey of over three weeks, and arrived on the 21st February, the anniversary of the Nankana incident in 1921. Unfortunately, when the Jatha was within a few miles of Jaito, it was joined by a disorderly mob of several thousand persons armed with axes, swords, spears, and clubs. A number of bad characters carrying firearms also joined the mob, and this huge crowd advanced on Jaito, screening the jatha. When it arrived within a few hundred yards of the village, it was warned that if it did not halt, fire would be opened by the forces at the disposal of the Administrator. The mob was by this time in a highly excited condition, and this warning was disregarded. The crowd, worked up by now to a frenzy, charged down on the police and military posted to bar its progress. Several officials who had advanced to persuade the mob to halt were chased back to the troops at imminent peril to their lives. In order to stop the on-rush of the menacing horde of Akalis, fire was opened and the mob was dispersed with casualties amounting to 21 killed and 33 wounded. The firearms in the ranks of the mob were discharged and one Nabha villager was wounded while another received a bullet through his turban. The Jatha itself was not fired upon, but in the confusion casualties were inflicted on three or four of its members, who had mixed themselves up in the mob. Needless to say this event caused a profound sensation among different shades of Indian political opinion. The authorities were freely accused, first, of perpetrating a brutal atrocity; and secondly of misrepresenting the facts in their published announcements. The official account was however fully confirmed by a magisterial enquiry which was held a few days afterwards by a Sikh magistrate of the Punjab Provincial Service. A large numbe · of persons were arrested; but all except about 100 of the worst offenders were released by the Nabha authorities. These persons are now under trial.

Several members of the Legislative Assembly were stimulated by the Jaiton tragedy to press for the adjournment of the House. The President ruled that such a proceeding was not in order, since the affairs of an Indian State were concerned. But on the 25th February a resolution moved by a Sikh member recommending the appointment of a committee to enquire into the grievances of the Sikh community, provided an opportunity for discussion. On the non official side, there was a general disposition to blame the authorities for their handling of the whole shrine question; and charges of apathy on the one hand and of inhumanity on the other, were freely brought. Government made it clear that they entertained no feelings of hostility towards the reforming party, but stated that there were ways of preserving the religious and social institutions of the Sikhs, which were preferable to methods running counter to good citizenship. The Government of India announced their intention of further prosecuting the endeavour to find a solution for such grievances as might be established by the Sikh community. The Assembly was not however satisfied, and passed the resolution in a slightly amended form. Meanwhile, the march of jathas to Jaiton continued, but as precautions were taken to preserve discipline, their members were arrested without resistance. Immediately subsequent to the period under review, the Punjab Government announced the appointment of a committee under the presidency of General Birdwood to explore the question of Sikh grievances with the object, if possible, of implementing Government's repeated efforts to arrive at a solution. Unfortunately, this effort proved barren of the desired result.

The Assembly and the Sikh Situation.

The first session of the new Legislative Assembly was adjourned at the end of March until a date in May, when a special meeting was fixed to consider the report of the Tariff Board upon the protection of the Iron and Steel Industries. As will have been apparent from what we have recorded, the Assembly session in Delhi was notable for more reasons than one. It exemplified in the first place, the growing tendency towards strictly constitutional action on the part of the Swarajists; and it revealed in the second place the virtual unanimity of Indian political opinion of all shades regarding the necessity for immediate constitutional advance. In this connection we may notice that in February 1924 there was held the second session of the National Conference, a body formed under the aegis of Mrs. Besant's National Home Rule League.

Outstanding Points in the First Session.

Desire for Constitutional Advance.

We saw in last year's Statement that at the first session of the Conference, held early in 1923, a number of committees were appointed to examine avenues for constitutional advance and to make definite recommendations regarding the legislative provision necessary for their attainment. In February 1924, these committees reported; and the results of their labour were examined. Under the leadership of Sir Tej Bahadur Sapru it was generally agreed that the National Conference should follow the line of preparing the ground for a Royal Commission; and should aim at producing a clear and precise statement of the constitutional changes which India desired. Subsequently it was agreed that a deputation consisting of the Rt. Hon. Srinavasa Sastri and Mr. Iswar Saran should shortly proceed to England in order to lay before the authorities the desire of India for the speedy appointment of a commission of enquiry. It will thus be apparent that the desire for constitutional advance was by no means confined to the shades of political opinion represented in the Legislative Assembly. Further, the sentiments expressed in the National Conference were echoed and amplified in provincial Liberal conferences in various parts of India. It may therefore be asserted with confidence that the conjecture hazarded in last year's Statement as to the probability that the demand for Constitutional advance would shortly become a dominant feature in the activities of all Indian political parties, has been completely borne out by the events of the year 1923-24.

The National Convention and the Liberal Conferences.

APPENDIX I.

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Reports on Municipalities for each Province and for Calcutta, Bombay City, Madras City, and Rangoon.
Reports on District and Local Boards or Local Funds for each Province.
Reports of Port Trusts of Calcutta, Bombay, Madras, Rangoon, Karachi, and Aden.

Medical, Sanitary, and Vital Statistics.

Report of the Sanitary Commissioner with the Government of India.
Report on Sanitary Measures in India (Parliamentary Paper).
Report of the Sanitary Commissioner for each Province.
Vaccination Report for each Province.
Report on Civil Hospitals and Dispensaries for each Province.
Report on Lunatic Asylums for each Province.
Report of the Chemical Examiner and Bacteriologist for each Province.
Scientific Memoirs by Officers of the Medical and Sanitary Departments.
Reports of the All-India Sanitary Conferences.
Reports of the Imperial Malaria Conferences.
Indian Journal of Medical Research (Quarterly).

Emigration and Immigration.

Calcutta Port Emigration Report.
Bengal Inland Emigration Report.
Assam Immigration Report.

Prices and Wages.

Prices and Wages in India.
Variations in Indian Price Levels.
Reports of Provincial Wage Censuses.

APPENDIX II.

SPEECH DELIVERED TO THE COUNCIL OF STATE AND THE LEGISLATIVE ASSEMBLY BY HIS EXCELLENCY THE VICEROY ON 28TH JULY 1923.

I am here to-day to address you on what must be generally recognised to be a most important occasion. This is the last day of this Session of the Legislature and the last day of the last Session of the first Legislative Assembly constituted under the Government of India Act of 1919. The close of this Session marks a stage in the working of those reforms. We have reached the end of a definite part or chapter in that gradual development of self-governing institutions in the Indian administration which is the declared policy of the British Parliament. We have advanced one step forward, an important step, in the progressive realisation of responsible government in British India as an integral part of the Empire. I pause to dwell on this point. I desire others to realise, as I do, what the end of this period means for India. It began by a momentous declaration of policy by His Majesty's Government who determined it to be necessary to give effect to this policy by successive stages and forthwith to take substantial steps in that direction. Since that announcement we have been travelling on that road, and we have now almost reached the half-way-house on that journey. We in India at this time will naturally desire to pause and appraise our achievement; but this stage holds interest not only for us—though it must have a special and intimate importance for us—but for a wider public. Of necessity at the close of this Session the British Parliament, upon whom lies the responsibility for the welfare and advancement of the Indian people, must look back and take stock, in the words of the preamble of the Act, " of the co-operation received from those on whom new opportunities of service have been conferred."

There is another aspect of the question. Our constitution enacts that on the expiration of 10 years after the passing of the Act of 1919 a Statutory Commission shall be appointed to inquire into the working of the system of government, the growth of education and the development of representative institutions in British India and all matters connected therewith, and to report thereon. In effect at the time stated the progress and achievement under the reforms are to be weighed in the balance for the purpose of determining the degree and extent of the next move forward. They are to be tested in the crucible for the alchemist to decide of what metal they consist and whether they ring true. I remind you that time is passing and that we have almost reached the moment when half that statutory period will have elapsed. The achievement of the Indian Legislature, and especially of the first Legislative Assembly in these circumstances, assumes a special importance. The work they have accomplished, the influence they have exercised, the example and experience they bequeath to their successors, all contribute to that atmosphere of success of failure which will surround the Reformed Constitution when the Mother of Parliaments sends her representatives to inquire into the working of the system of government.

To-day we are bringing to a conclusion the proceedings of the first Indian Parliament under the Reforms and we are assisting at the obsequies of our first Legislative

Assembly ; it is therefore meet and proper that we should review past action as we pronounce its funeral oration ; but we are also at the stage which precedes and heralds the birth of a second Assembly ; and we may for this reason also fitly assess our experience and hand on its fruits for the benefit of our successors.

I have spoken of the special interest which our proceedings to-day have for ourselves and for the British Parliament. They are also keenly watched by a larger public. No one can have failed to note the great growth of interest in the proceedings of the Indian Legislature which has been a prominent feature of the British Press in the last two years. Time was when the notices of Indian affairs in the British Press were few and intermittent. That day has passed with the reforms. Time was at the outset of the reforms, when a section of the Indian Press professed to ignore the deliberations of the Indian Legislature except for occasional and brief outbursts of malicious depreciation. Those days are gone. You may have your detractors ; you may have your critics ; but you have now everywhere created and sustained a vivid and living interest in your actions. You have made the Indian Legislature the mirror of events in India. All matters of importance to India are reflected in your questions and Resolutions. Before I pass to your achievements in the working of the reforms, I will examine the political situation regarding the reforms. Those who are opposed to the true interests of India and are blind to her position in the British Empire and to the mutual protection and strength those ties assure, have not been slow to allege that the reforms are of a transitory nature ; that they were the outcome of the political complexion of a moment ; that they have neither substance nor permanency ; that you live in short in a fool's paradise whose palaces and gardens will vanish in the twinkling of an eye like the passing of a mirage. Nothing could be more untrue. I came to India immediately after the initiation of the Reformed Constitution, pledged to carry on that constitution and entrusted with special and new responsibilities by His Majesty as Governor General to that end. On me was the charge laid that it was His Majesty's will and pleasure that " the plans laid by our Parliament for the progressive realisation of responsible government in British India as an integral part of our Empire may come to fruition to the end that British India may attain its due place among our Dominions." A solemn declaration of policy had been made by His Majesty's Government to the same purport ; the legislation had been passed with the assent of all political parties in England. Since then there has been no change and there will be no change in the announced policy. It is the recognised policy of the British Government, however, constituted. There have been changes in Prime Ministers, changes of parties in power in England, changes in the personnel of the Secretary of State for India ; but the fundamental policy as regards Indian reforms has remained unaltered ; and it is the unshaken determination of the British Government to carry out those reforms not only in letter but in spirit.

There has been criticism of the illusory nature of the reforms. Those who wish to hinder the progress of India along her settled path have charged the reforms with being an empty shell without a core. They have termed them a dress giving only the trappings of reality to a dead body which had neither life nor force.

The achievements of the Indian Legislature have been decried. Their position and privileges have been ridiculed ; their motives have been misinterpreted. Their sincerity and patriotism have been attacked. Let history be their judge. I am confident that no difficulty will be found in sweeping aside those travesties of their

earnest and constructive labours; but this is not all. The Assembly itself has been at times despondent. There have been moments in this House when voices have been uplifted crying on the Reforms as a niggardly gift and a sham. My sympathy at all times is with laudable desires for constitutional advance and longings for a wider horizon; but when I examine the position the Legislative Assembly has attained, the use it has made of its opportunities, the effect and dignity with which it conducts its debates and the broader aspect of its powers upon the policy of the Government of India, I cannot but feel that the Assembly at times takes far too narrow and restricted a view of its potentialities and real influence; and I must suspect that sentiment on occasion tends to obscure reason and dims the vision of those solemn promises of the British Government and of the Charter of Indian liberties of which the Government of India Act is the repository. Weigh for a moment the influence and power of the representative element of this House against that of its predecessor, the Imperial Legislative Council. Compare the realities of its responsibilites with pre-existing conditions. Reflect on the establishment on a firm basis in this House of Parliamentary traditions and on their incalculable effect on the future.

I do not desire to enter upon a catalogue of the legislative achievements of the Legislature or to enumerate in detail those Resolutions or questions or recall those debates which have produced material results on the executive action of the Government. I prefer to recapture for a moment the atmosphere and the state of political feeling in India when I assumed my office and to ask you to judge how far this has changed and how far your influence and action have contributed to this change. When I first came to India I was at pains to get into touch with political thought, to hear grievances and study the Press so that I might acquaint myself with those matters which appeared to be a subject of general complaint. My impressions of the burning questions of the day in Indian opinion as gathered from those sources was as follows. In the first place, there was a deep tide of resentment regarding curtailment of liberties. The more progressive considered the statutory restrictions on the freedom of the Press to be unnecessary, unduly restrictive and incompatible with the spirit of reforms. The same exception was taken to a number of special enactments restrictive of certain aspects of political agitation and known as the Repressive Laws, and particularly included the Rowlatt Act. Strong views were expressed to me as regards the number of British troops employed in India, the strength of the Indian Army and the burden of military expenditure. The military position was represented as showing a total want of confidence in India and as strangling the material expansion of the country by weight of army expenditure. Though Indianisation had begun in the Civil Services, the absence of any regular scheme of Indianisation of the Army was quoted as a proof of the mistrust of Indians by the British element and as designed effectually to prevent the ultimate realisation of responsible self-government in India. A like suspicion was alleged to be at the root of the failure to associate elected representatives of the people in advisory capacities with the problems coming before the Departments of the Executive Government.

India was represented as dominated in fiscal matters by the British Government and by the economic interests of Great Britain. The stores policy of India was said to be dictated to stifle the expansion of industry in India, and accusations were levelled that its main purpose was to place the maximum amount of orders with

British manufacturers. Finally, the bureaucratic Government were charged with having established for the perfection of their own ends an unduly complex and expensive administrative machine and with having expanded its activities in directions not desired by the Indian public and out of proportion to India's resources.

I need hardly recall to you how the case now stands in regard to those subjects. For I know that you count the measures, which have been adopted by my Government on the strength of your representation of public opinion in those matters, among the most priceless pages in your annals; you may perhaps feel that the policies you advocated are not yet in all cases fully accepted, but when you leave this House you may assuredly point to many grievances, which were the cause of much bitterness and suspicion, checked by you in their early growth and now lying strangled on the open road you have left behind you.

These achievements arrest immediate attention; but there are other matters to be mentioned, particularly as they relate to activities of a more constructive character which will, I trust and believe, have an important and beneficial effect upon the future interests of India. In the Indian Factories Amendment Acts, the Indian Mines Act and the Workmen's Compensation Act, the Legislature has placed on the Statute-book measures destined to protect labour and has taken a progressive view of that great responsibility which rests on its shoulders as the representative of a vast labouring population. The Indian Emigration Act, deals with the difficult problem of safeguarding the interests of Indians who may emigrate to find a livelihood abroad; and a striking feature of this legislation is that the final decision of measures for their protection has been vested in the Legislature itself. No measure before you was hedged about with such special difficulties as the law to abolish racial distinctions; but no rift occurred in the delicate web of compromise and goodwill; and the Statute is now with us—a permanent monument of mutual desire to work together to a common understanding. In the Criminal Procedure Amendment Act the Legislature brought to a successful conclusion a task of great magnitude and complexity which had occupied the energies of our draftsmen for nearly a decade. It will fall to few Legislatures to have to dispose of a measure of such difficulty and importance in the domain of the criminal law.

While at times sentiment has run high and some event has found the Assembly and the Executive Government apparently at opposite poles, these differences have seldom been perpetuated and friendly and frank discussions have frequently led in the end to better understanding.

Some differences unfortunately have remained. It was perhaps scarcely to be expected that at the present stage of the constitution every divergence of opinion between the Government and the Legislative Assembly would be composed by discussion. Often my Government has accepted the views of the Legislature notwithstanding that these did not coincide with those of the Executive. But a special responsibility has been laid by the constitution upon the Governor General in certain cases and in my judgment special powers are essential to the discharge of the duties of the Executive in the present state of constitutional development in India. Nevertheless the occasions of the use of these special powers should be and, I am happy to observe, have been rare. The most recent and notable instance of their exercise was in connection with the necessity for balancing the budget. The reasons for the action which I felt it incumbent upon me to take at that time have been published. My action provoked criticisms; I have no

intention of reopening the discussion save that I will add that in my opinion subsequent events have tended to confirm the wisdom of my original decision. The responsibility was grave and the decision rested with me alone. I trust that those in the Assembly who have felt and expressed themselves strongly on the subject will leave this House without any feeling of bitterness, holding to their opinion as their consciences may dictate and acknowledging the same liberty to others who may differ from them, among whom I count myself.

My Government have to acknowledge a continuous and solid measure of support in times of disturbance and agitation from the Legislature, and in general a steady influence exerted for the maintenance of law and order. I have said enough, I trust, to establish beyond controversy the real advance accomplished and to place beyond the power of depreciation the disciplined efforts to increase the well-being of the people of India which have characterised this, the first Indian Legislature.

Before I part from the Legislative Assembly I wish to pay a tribute to Sir Frederick Whyte who, with a knowledge and experience brought from the British Parliament and imbued with the ancient traditions of that House, has presided over your deliberations. I know that you would wish to be associated with me in offering a meed of appreciation of the technical knowledge, sympathy, patience and fairness of mind which have characterised his association with your Assembly.

For me as Governor General the first Legislative Assembly under the reforms and in my term of office must necessarily hold special ties of interest, and I must view its dissolution with no small measure of regret. My feelings on its disappearance are however tempered by the knowledge that I still retain without change the valuable services of the Council of State; and I am sustained by the thought that I can continue to rely on the sobriety of judgment of this Chamber of Elders which with this Assembly formed part of the first Indian Legislature and on their support of the best interest of India in all matters that closely touch her well-being.

I had intended to confine myself to-day to a survey of the work of the Indian Legislature over the period of the life of the first Legislative Assembly and not to dwell on matters of recent occurrence too near to us to be judged in their proper perspective; but before I pass to another part of my subject I feel it my duty to make some observations about Kenya which is at the moment uppermost in my thoughts and yours. The news of the decision regarding Kenya came to me and to my Government no less than to you as a great and severe disappointment; for India had made the cause of Indians in Kenya her own. As His Majesty's Government has stated, this decision conflicts on material points with the strongly expressed views of my Government as laid before the Cabinet by the Secretary of State for India. India's representations were fully placed before His Majesty's Government and received most patient and careful consideration; but we must record our deep regret that His Majesty's Government did not feel justified in giving greater effect to them. We are conscious that there were important aspects, perhaps not sufficiently understood by us, which His Majesty's Government were called upon to weigh and determine, and we fully appreciate and acknowledge their whole-hearted efforts to arrive at a fair and equitable conclusion. They have announced their decision and the Government of India must consider it and arrive at its conclusions. If submission must be made, then with all due respect to His Majesty's Government it can only be under protest.

We do not fail to realise the great difficulties in which His Majesty's Government were placed. They were faced with a conflict between two powerful interests. The deputations with great vehemence urged two completely divergent points of view. Between these two there appeared to be no ground for agreement on any point; and besides there lay on His Majesty's Government the grave responsibility for considering the unchampioned and inarticulate interests of the native population which form the great majority in the Colony. It is not easy in India with strong feeling for the Indian side of the cause to appreciate with real detachment the considerations which His Majesty's Government had to bring to bear on the difficult problem. Attention in India is naturally concentrated on the rights and claims of Indians, while His Majesty's Government have a larger field to cover and wider responsibilities to exercise; and we must remember that although the decision has disappointed us yet on some points to which we were strongly opposed, but to which the settlers party attached great weight, the decision is against them. On three important points decisions favourable to the Indians have been pronounced. His Majesty's Government have declared against the grant of responsible government within any period of time which need now be taken into consideration. Further, they have refused to countenance the introduction of legislation designed to exclude from a British Colony immigrants from any other part of the British Empire. In addition they have definitely rejected the principle of segregation. On the question of the future control of immigration no final conclusion has been reached. The principle stated is unexceptionable and as a declaration of policy it will be welcomed by Indians. We are, however, uncertain as to the precise method by which immigration is to be controlled, and how the control will affect Indians; but you may rest assured that I and my Government will use every effort to impress our views on this subject without delay upon His Majesty's Government.

It is unfortunate that the last days of the first Legislature should have been overclouded by events regarding the treatment of Indians overseas. Yesterday the Legislative Assembly passed a Bill enabling the Governor General in Council to frame rules, if and when he considers it desirable to regulate the entry into and residence in British India of persons domiciled in British Dominions and Possessions other than the United Kingdom. The principle of reciprocity had already been accepted by the Imperial Conference and therefore a Bill conferring powers on the Governor General in Council in his discretion to make rules for the purpose of enforcing reciprocity is in itself unobjectionable; but the moment selected for this legislation may in some quarters be regarded as unfortunate, especially when accompanied by speeches in favour of retaliatory measures. It is but natural that there should be a desire in your mind publicly to express your determination to befriend and support Indians overseas to the best of your ability, but I must express serious doubt whether your object will be effected by these means. Will their position be improved politically and materially by steps in the nature of retaliation? May it not have an opposite effect and make their situation more difficult? Have they been consulted? Is it their wish? Apart from other considerations, will it help India? I shall not dwell upon the subject. The Bill cannot reach the other Chamber this Session and meanwhile there will be opportunity for further information and reflection.

I have paused to-day to examine the progress of the first Legislature and the position it has attained. In the face of vehement and sometimes bitter opposition

you elected to give your services to your country and became Members of the Legislature, determined to devote your powers to attaining your aims and ideals by constitutional methods. You may not have accomplished in the short period all that you had hoped. You may perhaps find the place of progress too slow, but can you point to greater achievement for India during so brief a period of time? Would other means have accomplished as much? There are those who have set other ideals before them. Destruction, not construction is their avowed aim. They would wreck the Reforms. What have they accomplished for India? What blessing have they brought to her people? Have they brought harmony? Have they brought security? Have they brought peace? What goal have they set before them? By what road are they to attain to it?

You need not meddle with uncertainties or speculate on the unknown. You know the port to which your ship is sailing. You have set your course; the star by which you steer shines bright before you. The first stage of your passages lies behind you in your wake. You have learnt to work your craft. Whatever storms or dangers may lie before you, you are confident in this knowledge and by the help of Providence you will bring your ship in safety to its journey's end. It is in this spirit that I ask those who have the interests of India in their hearts to use their influence in the coming elections to help India forward by the only secure road to the attainment of her cherished desires.

APPENDIX III.

SPEECH DELIVERED BY LORD READING ON THE OCCASION OF THE INAUGURATION OF THE FOURTH SESSION OF THE COUNCIL OF STATE AND THE FIRST SESSION OF THE SECOND LEGISLATIVE ASSEMBLY.

Thursday, 31st January, 1924.

Gentlemen, when I last addressed you, the Members of the Indian Legislature, the last Session of the first Legislative Assembly was at its close. A new Legislative Assembly has since been constituted; and the Members of the Council of State and of the Assembly are now about to enter upon the labours of the Delhi Session, to face new responsibilities and to strive to solve fresh problems in the best interests of India.

Let me in the first place extend a welcome to all the Members. I see many who have already notable achievements to their credit in the annals of the Indian Legislature. They need no special word of welcome and encouragement from me because they are aware of the high regard I entertain for their services; and in my address of last July, I set forth my view of the supreme importance of their work to the development of self-governing institutions in India and of the great value of the influence and traditions established by them. I miss, with regret, from this assemblage the faces of others (of the same fold) who had rendered yeoman service to the cause of constitutional progress. I see many new Members before me. I wish them welcome and shall watch their work in their new environment with keen interest. In their new responsibilities they will find the fullest opportunity for the display of the highest patriotism and for the noblest work for the service of India.

Before I pass to review the work before the Legislature and the internal affairs of India, let me dwell on a few questions of importance outside India, but closely affecting her welfare. Progress towards economic recuperation in Europe proceeds but slowly and the reaction of commercial dislocation still affects India together with the rest of the world. Nevertheless, there are indications of activity and trade revival in India; and there is good ground for hope that her period of convalescence will be more brief in duration and marked by more rapid and steady advance to strength than elsewhere.

A treaty was signed with Turkey at Lausanne in July last and its ratification by the signatory powers at an early date is anticipated. Tension has been relieved in the Middle East, and the Treaty has been welcomed by responsible Indian Muslim opinion as affording a solution to many problems exercising their minds.

On the Northern boundary of India the traditions of amity, subsisting for a century past with her neighbour Nepal, have found a happy issue in a Treaty signed at Khatmandu in December last which is a legitimate cause of satisfaction to both the parties.

Beyond the North-West Frontier, India has another neighbour closely connected with her. The relations of India with the Kingdom of Afghanistan are conducted by His Majesty's Government and, as you are aware, a treaty of neighbourly relations exists between the two Governments.

I have read assertions recently in the press that these relations have been strained. There have been allegations on the one hand of the entertainment of aggressive feelings towards Afghanistan by His Majesty's Government and on the other hand of an unreasonable attitude on the part of that country. Our relations with Afghanistan, as I have said, are in the charge of His Majesty's Government. But there has been speculation in the Indian Press regarding these rumours, and considerations of propinquity and past intimate associations evoke a warm solicitude in India for the welfare of Afghanistan and for the maintenance of relations of amity. It is right in order to remove misconception in India that I should state that these rumours as to the alleged intention of His Majesty's Government and the alleged attitude of the Afghan Government are without foundation.

Certain questions have however been under discussion between His Majesty's Government and Afghanistan. Those discussions are now nearing a satisfactory solution. The discussions had their origin in outrages notably those at Barshore and Spinchilla committed on our frontier by Wazirs domiciled in Afghanistan. They were complicated by the execution of these outrages from a base in Afghanistan and by the removal of loot to Afghan territory. In some cases also the perpetrators were deserters from British Indian militia units who had found employment in Afghanistan. The raids were serious in their results. In addition to private losses, four British officers and 81 Indian Sepoys of our regular and militia Indian units lost their lives. Subsequent to these events, two Afghan subjects murdered two unarmed British officers near Landi Kotal and fled to Afghanistan where they were arrested by the order of their Government, but later escaped from custody. Meanwhile the members of the Kohat gang, who were not Afghan subjects, the men who had murdered Mrs. Ellis and abducted her daughter, made good their escape to Afghan territory.

In reply to the vigorous representations made by the British Government the Afghan Government admitted its obligations, furnished ample assurances and took action to implement them. Its action at first however proved abortive. The lives of British Frontier officers and the security of British Indian subjects depended upon the fulfilment of these assurances. But on our side His Majesty's Minister exercised patience and forbearance, as he was aware that the difficulties of the Afghan Government in securing effective results were greater than can generally be realised.

Before the close of the year his representations were successful; the outrages to which I have made allusion were completely liquidated. During the present month the active steps taken by the Government of Afghanistan, after inviting the co-operation of our officers, have ended in the rounding up of the Kohat gang who are in process of transportation to Turkestan. During the last few days Afghan troops have come in contact with the men charged with the Landi Kotal murders and in the encounter one of them named Ardali has been killed, though the other Daud Shah has effected his escape. Information has also been received that the militia deserters above-mentioned have been dismissed

from Afghan service. As delicate negotiations were in progress you will realise that it was not possible to make a statement about these developments at an earlier date.

Of the other murderous outrages committeed on our frontier in one case suspicion fortified by constructive evidence points to members of the Kohat gangs, having been among the perpetrators of the murders at Parachinar, while the murder of Major Finnis and of the two Indians accompanying him is still under investigation. Two of those implicated in the crime have been arrested and every attempt is being made to bring those responsible for the outrages to account.

Before I close my observations regarding the position of affairs on our Frontiers, let me acquaint you with the progress achieved in the solution of the problem of Waziristan. We have continued to pursue the policy adopted by us after most careful consideration and with the approval of His Majesty's Government. We occupy a dominating position at Razmak in the country of the Utmanzai Wazirs with our regular troops at the request of the Wazirs themselves. A circular road more than 70 miles in length, running from Idak in the Tochi past Razmak and through Mahsud country to Jandola, has been efficiently constructed in a short space of time. A second road fringing the Mahsud country on the south-east is under construction from Jandola to Sarwekai. These roads have been constructed in the main by the tribes. They are protected throughout the greater part of their length only by irregular forces—scouts and locally recruited Khassadars; and under their protection they are beginning to carry the trade of the country and to exercise the civilising and pacific influences which are the special and beneficent characteristics of a road policy. Except for a few technical troops, there are now no regular troops in Mahsud country. Military expenditure has been steadily reduced; and more settled conditions on the border offer good prospects of a more than temporary success for our policy. We should be unduly sanguine if we declared that our difficulties are at an end. Nevertheless in our judgment, arrived at after much investigation and deliberation, this policy spells the best hope for progressive improvement in the future.

You will remember that when I last addressed the Legislature, the position of Indians in the Empire was a cause of serious concern to me and my Government no less than to Indian opinion generally. Since then, except in directions to which I shall subsequently refer, the results of the labours of the Secretary of State, the Maharaja of Alwar and Sir Tej Bahadur Sapru at the Imperial Conference have undoubtedly improved the situation. The Premiers of four Dominions have shown deep sympathy and expressed their earnest desire to remove the disabilities affecting Indians. There is good ground for hope that the attainment of a solution acceptable to India is only a matter of comparatively short time, except possibly in the case of Canada where there are some special difficulties. India most cordially appreciates their sympathy and encouragement; and I speak for India when I say that this recognition of India's position in the Empire is the source of high satisfaction to her.

The position in South Africa, however, is different. The Union Government has reaffirmed its unwillingness to adopt the attitude of the other Dominions; and in addition proposals for legislation which are expected in practice to affect Indians adversely have been brought forward. The Natal Township Franchise Amending Act, vetoed on previous occasions by the Governor General of South Africa in Council,

has again been passed in the Natal Legislative Council, and a Class Areas Bill has been published by the Union Government. Vigorous representations have been made by my Government which, we trust, will have success in regard to the Township Act. The Union Government have given an assurance that it is their desire and intention to apply the measure, the Class Areas Bill, if it becomes law, in a spirit of fairness to the interests and reasonable requirements of Indians. My Government, however, whilst welcoming the assurance, cannot rest satisfied with this position; and we shall continue our efforts to persuade the Union Government to incline to our view. We are aware of the strength of public opinion in India upon this subject and shall strive to give effect to it by all legitimate means within our powers.

The position as regards the Crown Colonies has materially changed owing to the acceptance of the proposal for a Crown Colonies Committee to be appointed by my Government which will confer with the Colonial Office on all pending questions including Kenya.

The late Prime Minister, Mr. Baldwin, has promised that there shall be full consultation and discussion between the Secretary of State for the Colonies and the Committee appointed by the Government of India upon all questions affecting British Indians domiciled in British Colonies, Protectorates and Mandated territories. I hope for nothing but benefit from these discussions; and we shall gratefully take the fullest advantage of the opportunity offered.

As regards Kenya the views of my Government were explained at length by me in my last address to the Legislature and formed the subject of a Resolution issued by my Government in August last. While acknowledging the difficulties of the issues and the great care and attention His Majesty's Government devoted to India's claims, we did not conceal our feelings of disappointment at the result; and we reserved the right to make further representations, with a view to re-opening these decisions, when a legitimate opportunity offers.

At the Imperial Conference His Majesty's Government have given an assurance that, while they can offer no prospect of the decisions being modified—"Careful attention will be given to such representations as the Committee appointed by the Government of India may desire to make to the Secretary of State for the colonies." This assurance gives us the opportunity we have been seeking and is a substantial gain.

Following upon the decisions, statutory action has been taken as regards the Franchise question in Kenya. The Kenya Government has treated Indians on the same lines as Europeans and granted adult suffrage. Given communal Franchise, this method of working may be accepted, and it has now become law. It is open to our Committee, however, subsequently to make representations setting forth our contention that there are grounds for an increase in the number of seats to Indians and that in our view all voters should be registered on a common electoral roll. We shall continue to press our views by means of the constitutional channel opened to us by the assurance of His Majesty's Government.

As regards immigration, the decision of His Majesty's Government was stated in the White Paper in the terms of a general principle only; and His Majesty's Government issued in addition an instruction to the Governor of Kenya to "explore the matter further on his return to the Colony and in concert with the Governor of Uganda to submit proposals to the Secretary of State for the Colonies for giving

effect to that amount of control of immigration which the economic interests of the Natives of both dependencies require."

When we received a copy of the Ordinance, which had been drafted by the Government of Kenya and Uganda and submitted to the Imperial Government, we took immediate steps to urge the postponement of the introduction and consideration of the Bill until the Government of India were able fully to present their objections; at the same time we strongly pressed that the Colonies Committee appointed by the Government of India should also have an opportunity of examining the question of the restrictions on immigration embodied in the Bill. These representations were accompanied by a preliminary statement of our objections to the provisions of the Bill. We received in reply an assurance by telegram from Lord Peel, the Secretary of State, that the introduction of the Bill had been postponed at the instance of the Duke of Devonshire, the Secretary of State for the Colonies. His Majesty's present Government have now informed me that the late Secretary of State for the Colonies found the Ordinance unsatisfactory, and returned it to East Africa to be redrafted. At the same time he called upon the Government of Kenya for certain information regarding immigration and for an explanatory statement respecting the method proposed for the administration of immigration measures.

His Majesty's present Minister for the Colonies will await the reply to these inquiries and the revised draft of the Ordinance and will be guided by further information received when these documents are before him. Meanwhile he has given me an assurance that ample opportunity will be afforded to my Government to express their views, and that he will give his earnest attention to my representations which the Colonies Committee appointed by the Government of India may desire to make regarding the measure whether in the form of a Bill or of an enacted Ordinance.

I desire to express my deep obligations to the late and to the present Secretary of State for the Colonies for the consideration given to the representations of my Government which have received the continuous support of Lord Peel and his successor. The steps taken are strong testimony to the sense of justice and fairness with which His Majesty's Government have been animated in dealing with the proposals.

As regards events in India, the two murderous outrages which have recently occurred in Bengal have caused as deep concern to my Government as they have excited reprobation and abhorrence in the minds of all good citizens of every community. It is the primary duty of Government to vindicate the law against such outrages and to bring their perpetrators to justice; and my Government is entitled to look for the moral support and active co-operation of all sections of the public in the task. We owe to the familes of those who have been victims our deep and respectful sympathy, but we have an even wider duty—the duty to safeguard others from similar calamity. My Government have for some time been aware of the existence of conspiracies having as their object the assassination of public servants and of the correspondence of persons implicated in these conspiracies with communist agencies directed by organisations outside India. It was out of question to permit these sinister designs to advance on their way to results that no process of law can remedy. Our officers, on whom devolve the dangerous task of the prevention and detection of crime, must look to us for at least that measure of safety,

so far as the law can give it, which their own services secure to the public. Punishment in cases of outrages of this nature is not an efficient substitute for prevention. It became necessary to take steps to confine certain of the persons concerned in these conspiracies under the provisions of Regulation III of 1818. The necessity for these measures has recently received tragic confirmation in the murder of Mr. Day and the injuries to three Indians who attempted to stop the flight of his assailant. I trust that these steps to combat an evil which not only destroys innocent lives, but is a menace to society as a whole and a grave obstacle to political progress, will command the approval of all those to whom security and progress are objects of vital and common concern.

Need I assert that it was only with the greatest reluctance that I assented to the use of these measures for the protection of the public and in the public interest? I am firmly impressed by the consideration that it is essential strictly to confine these special and extraordinary measures to extreme cases of emergency; and I fully appreciate and sympathise with the views of those who wish to protect the liberty of the subject with strict exactitude. In these days the strong light of publicity, both in the Legislatures and the Press, is brought to bear upon the use of emergency measures of this character; and this in itself acts as a safeguard against their abuse. Before any action is taken, I and my Government submit these cases to a scrupulously careful examination. If we decide that a case for arrest has been established and no other course is possible, in view of the serious character of the emergency, a warrant is issued. After the arrests in Bengal were made, as you are aware, all the documents and evidence relating to each individual have been placed before two Judges of the High Court for the purpose of thoroughly sifting the material on which action was taken, of submitting it to the technical tests of judicial knowledge and experience and of framing recommendations regarding each case. I shall myself re-examine the case of each man concerned with the greatest care in the light of the recommendations of the Judges in each case and with the assistance of their detailed scrutiny of the evidence and the documents. In this manner the greatest possible precautions will be exercised to secure that no individual shall run the risk of suffering injustice because of the gravity of a situation; and his right to an impartial investigation of a charge will never be imperilled by the immediate necessity for measures of prevention.

I attach great importance to the labours of two Committees at present engaged in the examination of certain aspects of the administration of the law. The first, which has been dealing with the subject of the Bar in India, is reaching the conclusion of its labours. The general question of the creation of an Indian Bar and special features of the varying systems in different Provinces in India regulating the appointment, practice and privileges of Advocates and Vakils attracted considerable interest among the members of the late Assembly and were the subject of a number of private Bills, Resolutions and questions. The whole problem has now been examined by an expert and representative committee; and their recommendations will be of special interest.

The second Committee is entering upon the task of the examination of civil judicial procedure with a view to increasing the efficiency of the machinery, and in particular of expediting the technical processes for arriving at the final decision in civil suits and for securing to the successful litigant the fruits of his decree.

Reproach for delay in these operations has been levelled at our administration, it is essential that for ends of justice and efficiency all cause for criticism should be removed. Any improvement, which it may be found possible to effect, will, I need scarcely point out, be of the greatest value to all litigants and as regards commercial cases will have re-actions of importance on the general commercial and industrial prosperity of India.

Another question of first importance connected with the administration is the problem of retrenchment. Though less than a year has passed since Lord Inchcape presented the report of his Committee, I am glad to inform you that most of the recommendations of that Committee have already been carried into effect; and the great benefit of reduction of expenditure will again be patent when the budget comes under discussion in the Legislature. Considering the far-reaching nature of the changes involved by the recommendations, the expedition with which they have been put into effect is to be commended. As you are aware, the reduction of troops as recommended by my Government on the basis of the report of Lord Inchcape's Committee was accepted in full by His Majesty's Government save in respect of the British cavalry regiments. As regards these regiments His Majesty's Government agreed to withdraw two, but not the third; as a result of discussion however His Majesty's Government have agreed to pay £75,000 annually as a contribution for the maintenance of the third regiment for a period of two years. At the end of that time, if the military situation is still unchanged, it will be open to my Government to raise again the question of the retention of the third cavalry regiment.

In addressing myself to the internal affairs of India I would remind you that a change of Government has happened in England within the last few days. In consequence, ordinary courtesy and also constitutional propriety render it incumbent upon me to refrain from some observations upon Indian affairs I should otherwise be tempted to make, until there has been opportunity for discussion with the new Secretary of State and His Majesty's Government. If, therefore,—contrary to your expectation—I do not express myself upon some matters, you will understand the reason. But it need not prevent my making some reference to the Reforms and the work before the Legislature.

With the institution of a Legislative Council in Coorg and the grant of representation in the Assembly to Ajmere-Merwara, the reformed constitution has become an integral part of the institutions in the smallest administrative units in this country. The attendance at the polls and the close contest between candidates during the recent Election demonstrate the increasing interest which the system claims from the electorate and the country at large. Within the walls of the Council Chambers parliamentary traditions have begun to be established. Representative institutions are being built up on a firm basis. The people of India are taking a share in the maintenance and activities of government which stands—as all civilised administrations must stand—for security against external aggression, for internal security by the maintenance of the law and the preservation of order, for the protection of the rights and liberties of individual citizens of every class and creed, for the development of the material and political welfare of the country and for ordered continuity of progress.

As you are aware, the policy of the Reforms in India was introduced with the approval of all political parties in England and all stand committed to it as the

fundamental policy in relation to India of His Majesty's Government, however constituted, and apart from other political controversies which mark lines of division in Parliament. It is not uninstructive in this connection to pause for a moment and reflect upon the succession of Prime Ministers and of Government that has taken place in England since I became Viceroy nearly three years ago. Mr. Ramsay Macdonald, who has so recently attained his present exalted office, is the fourth Prime Minister with whom I have served during my period of office as Viceroy. None of these Governments has wavered for one moment regarding the policy of the Reforms in India. Each in succession has immediately accepted the policy of the Reforms as the rock-foundation of British policy in India. Governments may, and doubtless always will, vary as regards details of administration and may differ in opinion regarding the stages of progression and periods of advance; but the cardinal policy of the Reforms remains the same for all. It is the policy of the British nation and not of any party. I commend these facts to the consideration of those—if there be any—who may still regard the promises held out as illusory and never to be fulfilled.

I came to India charged with the solemn duty of carrying out those Reforms, inspired by the earnest desire to make them a success and imbued with the firm determination to carry forward the conception along the road to further stages in its ultimate development. I have anxiously watched the consolidation of the foundations. I have seen the first courses of the edifice of parliamentary institutions and traditions and I stand pledged to carry onward the erection of the structure and to continue the building in the full hope of its ultimate completion. But be it remembered that the successful issue of the Reforms cannot depend solely upon the intentions and actions of His Majesty's Government, or the Viceroy, or the Government of India, or of all combined. The future must largely depend upon the people of India and the actions of the Legislature.

A first stage was passed when the first Assembly was dissolved. My own appreciation of the value of the achievements of the first Legislative Assembly and of the Council of State was expressed in my prorogation speech. We have now entered upon a second stage by the election of the new Assembly. I look and hope for continuity of the new Assembly of the same valuable tradition, for continuity is an essential condition of well ordered political progress. A considerable advance has been made on the road. Many difficulties have been successfully overcome and obstacles surmounted by the Legislature. Differences have occurred, but I am convinced that these have left no bitterness in their wake. Opinions varied but there was a common objective, the advancement of India. To-day marks the opening of a new stage; it chances to happen at a specially important moment and when the future actions of this Legislature will be fraught with the deepest interest and significance to India. There is now a Government in England which numbers among its members some of the most ardent supporters of the Reforms and the most sympathetic friends of India. There is now a spirit in India, if I am to credit all I read, which is bent upon destruction of the Reforms unless it immediately attains that which it is impossible for any British Government to grant forthwith, that is, complete Dominion self-government. I am well aware that words are often used in the heat of political conflict which perhaps convey more than is really intended. Moreover, it is but natural that when faced with the res-

ponsibility of action there should be deeper reflection upon its true significance and probable consequences. I cannot foretell the future; I do not know what it holds; but I cannot conceal from you that the political situation in India in its constitutional aspects causes me some anxiety for the future of the Reforms. I should be doing a disservice to India if I failed at this moment to give expression to my views formed not upon a hasty or cursory survey, but as the result of as profound study and reflection as I can bring to bear upon a subject of supreme interest to me. In October last I sounded a note of warning which I must now repeat in the friendliest spirit but with all gravity. I spoke with the object of presenting the picture of the future, as I then saw it, to those in India who had not failed in their support of the Reforms policy, although they had on occasions, felt bound to oppose the actions of Government. You may remember that I adverted to the possible prospect, according to the then indication of events, of a check, which I deplored, in the onward progress of the Reforms. The possibility of this check has come nearer to us, indeed it is in a degree already with us in some aspects, although it has not yet happened and, I devoutly trust, it will not happen in the Central Legislature. If the position should become more acute in the Provinces, the Local Governments may rely upon my fullest support. I still wonder—as I wondered in October—what purpose beneficial to India will be served by any course destined to destroy the continuity of progress in the Reform movement. No change in the Constitution can be effected by legitimate and peaceful methods save with the assent of the British Parliament, that is, the British people. The British Parliament has already set up the machinery now in operation for some time past. It is working with efficiency through well ordered processes towards the creation of responsible self-government. It is difficult to conceive that any responsible body of opinion can ignore the purpose it has in view, or can desire to check its creative activities and to risk the injury which must result to the fine fabric already in process of being woven upon its looms. Nevertheless, I gather that there is a disposition in some quarters to believe that the hands of the British Parliament can be forced, and that a situation may be created which may impair the Reforms and thus cause Parliament to act contrary to their desire and better judgment. It may appear easy to impair and even to destroy and to re-create. Doubtless, destruction is always easier than construction. Violent revolutions have destroyed the institutions of nations. Neglect and apathy in other cases have induced their decay and extinction; but I beg you to remember that when influences of this nature have been set in motion, restoration and re-creation become infinitely more difficult and sometimes impossible. These influences make no appeal to the British people and the British Parliament would emphatically repudiate and reject them. Rather rest the real hopes of the consummation of India's desires in the promises already made and in the intentions already manifested and to be manifested by that great champion of liberties, the British Parliament. As a devoted friend of India, I am convinced that action based on reason and justice will alone prevail with the British people and will prove the only safe road to the ultimate goal to be attained. I feel sure that you will keep steadfastly in mind in the course of the deliberations of this Session that the eyes of all friends of Reform will be fixed upon the harvest which the Legislature will sow and reap. It is of the greatest moment to India at this juncture that her elected representatives, in the responsibilities of their present position, should make a wise choice as regards the course

they will pursue. I do not doubt that they are imbued by those ideas which have from the outset inspired this Legislature and that they seek the welfare of India. I earnestly pray that calm judgment and a desire for mutual understanding and good-will may characterise this Session of the Legislature and may thus carry India further forward to the fulfilment of her legitimate aims and aspirations.

APPENDIX IV.

Delhi, the 28th March 1924.

A Statement by His Excellency the Governor General of the reasons which moved him to pass an order under section 67B of the Government of India Act for certification of the Indian Finance Bill as recommended to the Legislative Assembly and the Council of State.

When the Budget for the year 1924-25 was introduced in the Legislative Assembly, the Hon'ble the Finance Member was authorised by me to announce that as our anticipations for the coming year indicated a Budget which would balance on the present basis of taxation and with the salt duty reduced to the former level of Rs. 1-4 per maund, the choice between that rate and any higher rate would be left to the Assembly. At the same time, my Government, with the full concurrence of the Secretary of State for India, made clear their view that a higher rate of salt duty at Rs. 2 per maund would be in the best interests of the country, since it would enable a commencement to be made with the reduction of the Provincial contributions in four Provinces, and would thereby secure increased provision for objects such as Education, Public Health and Industry, the furtherance of which is our anxious concern.

2. When the Demands for Grants under the different heads of expenditure were laid before the Assembly, that House saw fit to reject, without any examination of the expenditure on its merits and for reasons extraneous to the Budget, the Demands for the Customs, Income-tax, Salt, and Opium Departments, four of the main revenue earning Departments of Government. These four demands, on the retention of which the revenue of these important departments necessarily depended, were later on restored by my Government acting in accordance with the powers conferred on them by section 67-A (7) of the Government of India Act. The remaining Demands had in the meantime been passed by the Assembly with small reductions under two heads only. When, during the next stage of the Budget procedure, the Finance Bill was presented for the consideration of the Assembly, consideration was refused without examination of details, in spite of the fact that the majority of the Demands for expenditure under different departments of Government had actually been accepted by the House.

3. The position which resulted from the action of the Assembly therefore was that when the Finance Bill providing for the means of meeting the expenditure which it had already voted came before the Assembly, the Bill was rejected without consideration. The Finance Bill prescribes the rates at which taxation shall be levied under several of the most important revenue heads, including the salt duty, postage and income-tax, and the legislative sanction given by the Finance Act of the

preceding year for the collection of taxation under these heads would have expired on the 31st March 1924. In these circumstances it was my obvious duty, under the special powers conferred upon me by section 67B of the Government of India Act, to take such action as was essential for the interests of British India in order to enable the administration of the country to be carried on and to provide sufficient funds to enable the Government of India's Budget for the coming year to be balanced. It was with this sole object in view that I recommended to the Assembly the Finance Bill in a modified form containing only such provisions as were essential for the purposes above mentioned. The Finance Bill as recommended by me provided for the levy of salt duty at the former rate of Rs. 1-4 per maund, for the existing postal rates and rates of income-tax, for the continuance for a further year of the provision, agreed to by the Legislative Assembly last year, for the credit to general revenues of the interest on the securities held in the Paper Currency Reserve, and for the imposition of a specific duty on certain materials for match manufacture, which is required to safeguard the revenue (exceeding 1½ crores of rupees) derived from the present import duty on matches. Certain items, including proposals to reduce the excise duty and the import duty on motor spirit, to reduce the import duty on certain component parts of cotton-mill machinery and to effect other minor changes in the customs tariff, were omitted from the recommended Bill. These proposals, though of a beneficial character, were not such as I could hold to be essential for the interests of India. This Bill with my recommendation was presented to the Legislative Assembly, but leave to introduce it was refused. It was thereupon laid before the Council of State with a certificate by me that the provisions of the Bill were essential for the interests of British India and was passed by the Council without amendment. To this Bill as consented to by that Chamber I have signified my assent.

4. It is to me a matter of regret that the Legislative Assembly, to whom important responsibilities are entrusted in voting expenditure to be incurred by Government and in authorising the provision of the necessary funds to meet that expenditure, should have failed on this occasion to consider these important financial matters on their merits. The action which my Government was compelled to take to restore the four grants rejected by the Assembly and that which I have found it necessary to take in exercise of the special power conferred upon me as Governor General, have as their sole object the maintenance of the administration and the provision of the funds necessary for that administration to be carried on.

READING,
Viceroy and Governor General.

APPENDIX V.

Resolutions of the Indian National Congress, 1923-24.

This Congress places on record its deep sense of loss at the demise of Srijut S. Kasturi Ranga Iyengar and Babu Aswini Kumar Dutta, who had rendered invaluable services in the cause of the Country.

This Congress also records with grief the death of Sjt. Hardeo Narayan Singh and of Pandit Pratap Narayan Bajpeyi, who bravely suffered imprisonment imposed upon them and contracted serious illness during their incarceration and preferred death to release under dishonourable conditions.

(From the Chair.)

"Resolved that the Committee appointed by the Delhi session of the Congress do call for further opinion on the draft of and criticisms on the Indian National Pact and submit for further report by the 31st March, 1924, to the All-India Congress Committee for its consideration and Sardar Amarsingh of Jhabbal be included in the place of Sardar Mehtab Singh who is now in jail."

(Moved by: Pt. Motilal Nehru.)

(Seconded by: Srimati Sarojini Naidu.)

The triple Boycott.

This Congress reaffirms the Non-co-operation resolutions adopted at Calcutta, Nagpur, Ahmedabad, Gaya and Delhi.

Since doubts have been raised by reason of the Non-co-operation resolution adopted at Delhi with regard to Council-entry whether there has been any change in the policy of the Congress regarding the triple boycott, this Congress affirms that the principle and policy of that boycott remain unaltered.

This Congress further declares that the said principle and policy form the foundation of constructive work and appeals to the nation to carry out the programme of constructive work as adopted at Bardoli and prepare for the adoption of Civil Disobedience. This Congress calls upon every Provincial Congress Committee to take immediate steps in this behalf with a view to the speedy attainment of our goal.

Proposed by: Sjt. C. Rajagopalachari.

Seconded by: Sjt. C. R. Das.

Volunteer organisation.

This Congress is of opinion that in order to train the people of India and make them effective instruments for the carrying out of National Work on the lines laid

down by the Congress, it is necessary to have a trained and disciplined body of workers, under the control and supervision of the All-India Congress Committee except as regards its internal management. This Congress, therefore, welcomes the formation of an All-India Volunteer Organisation and accords it its full support.

Separate Congress Departments.

Resolved that this Congress hereby calls upon its Working Committee to prepare and submit at as early a date as possible to the All-India Congress Committee for its consideration, a scheme of organisation of separate Congress Departments for more efficiently, expeditiously and uninterruptedly carrying out the various items of the programme of constructive work under its supervision and control.

That the Working Committee should also submit a scheme of National Service of paid workers who would carry out the work of the various departments and provide adequate and efficient Central and Provincial Secretariats and local office establishments.

That this Congress authorises the A.I.C.C. to adopt these schemes with such modifications as it may deem necessary and to put them into force at the earliest possible date.

(From the Chair.)

Kenya.

" This Congress sends the greetings and sympathy of the Nation to the Indian Community in Kenya and while adhering to the opinion that unless Swarajya is won for India, the sufferings and grievances of Indians abroad cannot be properly remedied, it authorises Mrs. Sarojini Naidu and Mr. George Joseph to attend the forthcoming Indian Congress in Kenya and study the situation and advise the Indian Community there, as to what steps they should take in carrying on their struggle against the insults and injustices imposed upon them.

(From the Chair.)

Ceylon Labourers.

This Congress appoints a Committee consisting of Sjts. M. A. Arulanandam, A. V. Dias, Periasundaram and L. Muthukrishna to investigate into the Conditions of life to which the South Indian Labourers in Ceylon are subjected and to make a report to the Working Committee.

(From the Chair.)

Indians Abroad.

In view of the humiliating treatment accorded to Indian labourers in various parts of the British Empire, this Congress advises the people of India to consider the question of stopping all kinds of emigration from India for labour purposes and calls upon the Working Committee to appoint a small Committee to examine the matter in all aspects and report to the All-India Congress Committee.

(From the Chair.)

Akali Struggle.

This Congress declares that the attack made by the Government on the Shiromani Gurudwara Prabhandak Committee and the Akali Dal is a direct challenge to the right of free association of all Indians for non-violent activities, and being convinced that the blow is aimed at all movements for freedom, resolves to stand by the Sikhs and calls upon Hindus, Musalmans, Christians, Parsees and all people of India to render all possible assistance to the Sikhs in the present struggle, including assistance with men and money.

The Congress authorises the All-India Congress Committee to take all necessary steps in this behalf.

Proposed by: Srimati Sarojini Naidu (Bombay).

Seconded by: Dr. S. D. Kitchlew (Punjab.)

Satyagraha Committee.

Resolved that this Congress authorises the Working Committee of the All-India Congress Committee to perform the duties of the Civil Disobedience Committee appointed at the Delhi Session of the Congress, and further resolved that the Satyagraha Committee do henceforward cease to exist as a Separate Committee.

(From the Chair.)

Sjt. Vinayak Damodar Savarkar.

"This Congress condemns the continued incarceration of Vinayak Damodar Savarkar, and expresses its sympathy with Dr. N. D. Savarkar and other members of his family.

(From the Chair.)

All-India Khaddar Board.

It is resolved that an All-India Khaddar Board be formed consisting of Sjts. Jamnalal Bajaj (Chairman), Vallabhbhai Patel, Maganlal Gandhi, Reva Shankar Jagjivan Jhaveri, Velji Nappu, Belgaum Walla, Shaukat Ali and Shankerlal Banker (Secretary), with full power to organise and carry on Khaddar work throughout India under the general supervision of the All-India Congress Committee, and to raise funds (including loans) therefore in addition to the allotments that may be made from the General Funds. The Boards shall hold office for three years, any vacancies to be filled in by the rest of the members. A report and statement of accounts shall be presented to the A.I.C.C. at its annual meeting and whenever else called for. The Board will act as Central Authority on behalf of the A.I.C.C. with regard to Khaddar work and in co-operation with Provincial Congress Committees. It will supervise and control the Khaddar Booshs established by Provincial Congress Committees and organise new ones in Co-operation with the P.C.Cs. where they do not exist.

Proposed by: Maulana Shaukat Ali.

Seconded by Sjt. Vallabhbhai Patel.

CONGRESS CONSTITUTION.

Resolved that the following amendments to the constitution be adopted.—

Article II-(*a*) Instead of " during Christmas holiday " have " during the last week of December."

(*b*) This should read as follows:—

" An extraordinary session of the Congress shall be summoned by the All-India Congress Committee on the requisition of a majority of the Provincial Congress Committees or of its own motion, provided that in the latter case due notice has been given and the proposal is supported by two-thirds of the members present. The All-India Congress Committee shall determine the place where such session is to be held, and the articles of the constitution shall apply with such modifications as the All-India Congress Committee may consider necessary in respect of each such session.

Article III. This should read as follows:—

" The Indian National Congress organisation shall consist of the following:—

(*a*) The Indian National Congress.
(*b*) The All-India Congress Committee.
(*c*) Provincia Congress Committees.
(*d*) District Congress Committees.
(*e*) Sub-Divisional, Taluka or Tahsil, Firka or other Local Congress Committee.
(*f*) Such other Committees outside India as may from time to time be recognised by the Congress in this behalf.
(*g*) The Reception Committee of the Congress.

NOTE:—Provincial, District, Taluq, Tahsil or other conferences may be organised by the above Committees for educative and propaganda purposes.

Article V. Punjab and N. W. Frontier Provinces to be made into one Province. The number of Provinces to be changed accordingly, Delete the last paragraph beginning with " the existing Provincial Congress Committees " to end of article.

Article VI-(*c*) should read as follows:—

Each Provincial Congress Committee shall consist of representatives elected annually by the members of the Congress organisations in the Province in accordance with the rules made by the Provincial Congress Committee.

(*d*) Each Provincial Congress Committee shall submit an annual report of the Congress work in that province to the All-India Congress Committee before the 30th November."

(*e*) No person shall take part in elections to any Congress organisation who has not paid his subscription within a time fixed by the rules of the Provincial Congress Committee for the purpose.

Article VII. " Add. The year of the four anna membership shall be from January 1st to December 31."

Article XVIII. Make the existing paragraph clause (*a*) and add:

(*b*) The accounts of the All-India Congress Committee shall be audited every year by an auditor appointed at the annual session. It shall be competent for this auditor to call for and inspect the accounts of the Provincial Congress Committees.

(*c*) The All-India Congress Committee shall take steps to ensure that the accounts of the Provincial Congress Committees are properly audited.

Articles XIX, Paragraph 1—Instead of "350" have "360."

Para. 4. should read as follows.

"The allotment shall be as far as possible on the basis of population according to the linguistic distribution of provinces as given in Appendix B.

Para 7. Delete whole para. Instead, have as follows:—

"Casual vacancies in the All-India Congress Committee caused by resignation, death or absence from India, or otherwise, shall be filled by the Provincial Congress Committee."

In present para. 8 change "15" to "30." Add to this para. "When once such a meeting is requisitioned and convened, additional subjects may be brought up for consideration provided due notice has been given to the members of the same."

Add after above para. another para. as follows:

"The quorum for the All-India Congress Committee shall be fifty."

Article XXIV. Delete article XXIV and have as follows:

The All-India Congress Committee shall, at its first meeting after the annual sessions of the Congress elect 9 members who shall, with the president, General Secretaries and Treasurers, be the Working Committee of the Congress and the executive authority responsible to the All-India Congress Committee in all matters.

All proceedings of the Working Committee shall be placed before the next meeting of the All-India Congress Committee.

Add the following Article below Art. XXIX.

At each sitting of the Congress the order in which business shall be transacted shall be as follows:

(*a*) The Resolutions recommended for adoption by the Subjects Committee.

(*b*) Any substantive motion not included in (*a*) but which does not fall under Art. XXIX of the Constitution and which 25 Delegates request the President in writing, before the Commencement of the day's sitting, to be allowed to place before the Congress provided, however, that no such motion shall be allowed unless it has been previously discussed at a meeting of the Subjects Committee and has received the support of at least a third of the members then present. Art. XXXI Delete the Article and instead, have the following:

"The All-India Congress Committee shall at its first meeting every year nominate a panel of 12 members to enquire into and finally decide all election disputes. The parties to the dispute shall nominate one each out of this panel to represent the respective disputants and the President shall choose the third."

Art. XXXIII. The proceedings of the Congress shall be conducted as far as possible in Hindustani, English or the language of the Province may also be used.

All other consequential changes to be made in articles and appendices.

Out-Going Secretaries.

This Congress places on record its grateful thanks for the valuable services rendered by the out-going General Secretaries.

Office-Bearers.

Resolved that the following office-bearers be appointed.

GENERAL SECRETARIES.

Pandit Jawharlal Nehru.
Dr. Saif-ud-Din Kitchlew.
Sjt. Gangadharrao Deshpande.

TREASURERS.

Sjt. Velji Lakhamsi Nappu.
Sjt. Reva Shankar Jagjivan Jahveri.

AUDITORS.

Resolved that Messrs. C. H. Sopariwalla and Co. be appointed auditors for the year.

NEXT CONGRESS.

This Congress resolves that its next sessions be held in Karnatak.

APPENDIX VI.

The following are the more important resolutions passed at the National Liberal Federation Conference held at Poona in Christmas week:—

Having in view the many inconveniences and anomalies which have been felt in practical administration under a system of dyrachy in the provinces and the incongruity and difficulty in practice of an irresponsible Central Government controlling and superintending the administration of transferred departments by ministers responsible to local legislatures, having also in mind the difficulties of the central Government having no majority of its own in a legislature with a majority of elected representatives of the people; and having further in mind the immediate necessity of releasing the Government of India and the local Governments from the control exercised by the Secretary of State for India and the proved inability of the Government of India, not yet fully responsible to the people, to protect the interests of Indians settled in self-governing Dominions and Crown Colonies, this meeting of the All-India Liberals, concurring with previous meetings thereof, is emphatically of opinion that full responsible government in the provinces and complete responsibility in the central Government except in the Military, Political and Foreign departments should be established without delay, and for this purpose urges the immediate appointment of a Commission similar that provided for in the Government of India Act of 1919 for making a full inquiry into the actual working of the present constitution and making recommendations in respect of future constitutional advance.

(i) This meeting of the All-India Liberals places on record its indignation and resentment at the Kenya Decision of July last which, besides being grossly unjust and invidious, violates the most solemn pledges of the Crown and other constituted authorities, and its firm determination which is likewise the determination to the whole of India, never to accept any settlement which assigns to their countrymen in Crown Colonies, particularly Kenya, a status in any way inferior to that of any other class of his Majesty's subjects. This meeting trusts that the Committee to be appointed by the Government of India in pursuance of the Resolution of the last Imperial Conference will be able to secure for Indians in Kenya a position in keeping with her recognised status as an equal partner in the British Commonwealth, besides safeguarding in an effective manner their economic interests.

(ii) This meeting further views with alarm the tendency of the provisions of the Kenya Immigration Bill and requests the Government of India, notwithstanding the unfavourable attitude of the Secretary of State for the Colonies, to press upon him the necessity in ordinary good faith of delaying the progress of the Bill through the Kenya Legislature until the Committee above mentioned should have had opportunity of examining the measure and discussing its provisions with the Colonial

Office. This meeting is further of the opinion that the Government of India should without delay appoint a strong and representative Committee and send it to England at the earliest possible date to raise the question with regard to the Kenya Immigration Bill with the Colonial Office.

(iii) In view of the facts that the political civil and economic interests of Indians in South Africa have been for generations without adequate protection, that at the present moment their economic status is further threatened by the imposition of restraints which are humiliating to this country as well as injurious to their interests and that the position of Indians within the Union of South Africa excepting Cape Colony has, during many years, been inconsistent with their status as subjects of a common Sovereign and with the national dignity of India, this meeting of the All-India Liberals strongly urges the Government of India and the Secretary of State to take effective retaliatory measures against the Government of that Dominion whose representative refused even at the last Imperial Conference to explore any avenue for the redress of the grievances of Indians, great numbers of whom were born in that country and own it as theirs. In particular, this meeting recommends the imposition on non-Indian South African Colonials of reciprocal restrictions and disabilities in respect of the franchise, both political and municipal, eligibility for the public services and right to hold properties and trade, mining and navigation licences.

(iv) This meeting strongly urges (1) an amendment of the Racial Distinctions Removal Act so as to deprive non-Indian South African Colonials in India of the special privileges still accorded to them in criminal trials, and (2) the imposition of a prohibitive import duty on South African coal, taking care at the same time by suitable measures, to provide adequate facilities to Indian coal in the way of transport and otherwise.

Retrenchment.

While taking note of the recommendations of the Inchcape and the various Provincial Retrenchment Committees, this meeting of the All-India Liberals calls upon the Central and Provincial Governments concerned to effect all possible economics and to lose no time in exploring further avenues of retrenchment.

Removal of sex Disqualification.

This meeting of the All-India Liberals is of opinion that the time has arrived for the removal of the sex disqualification in regard to membership of and franchise for the Provincial and Central Legislatures.

Separation of Functions.

This meeting of the All-India Liberals deplores the delay in carrying into effect a long overdue reform, *viz.*: the separation of Judicial and Executive functions and urges the Government to lose no time in giving immediate effect to it.

Labour Representation.

This meeting of the All-India Liberals desires to press on Government and Liberal organisations the need of encouraging the establishment of trade unions in the country and of labour being adequately represented in Provincial and Central Legislatures by direct election instead of by nomination as at present.

Protection to Indian Industries.

This meeting of the All-India Liberals is of opinion that Protection to industries of national importance should be given, the period, form and degree of protection depending upon the condition and prospects of each industry.

Repeal of the Princes Protection Act.

This Conference urges that The Princes Protection Act should be repealed as early as possible, as it is opposed to the interests both of British India and of the subjects of Indian States.

The Army.

1) This meeting of the All-India Liberals is emphatically of opinion that it is the duty of the Government to take steps for a more rapid training of Indian officers in all arms of the army including the Air Force so that the Army may truly be Indianised at an early date.

(2) This meeting of the All-India Liberals considers that with a view to expedite the Indianisation of the Army in the interests of national economy, a substantial reduction in military expenditure accompanied with a reduction of British Troops now used for internal security purposes should be effected as soon as possible and that in any case the recommendations of the Inchcape Committee in this behalf be given full effect to as a first step.

(3) This meeting urges that the report of the Military Requirements Committee should be published without delay.

(4) This meeting of Liberal Federation is further of opinion that Indian young men reading in Universities or Colleges should be made to undergo some military training and discipline.

(5) This meeting of the All-India Liberals further urges that no distinction should be made in the status of officers of the territorial and auxiliary forces and in the matter of granting King's Commissions.

The Salt Tax Certification.

This meeting of the All-India Liberals enters its emphatic protest against the certification by His Excellency the Viceroy of the Indian Finance Bill, 1923, providing for the enhanced Salt Tax in the face of the clearly expressed opinion of the Legislative Assembly to the contrary. In the opinion of this meeting, the Bill should not have been certified either on economic or political grounds. This meeting is further of opinion that S. 67-B of the Government of India Act is wholly inconsistent with any true responsibility of the Legislature and that even under the constitution as it is, it is necessary that the power of certification vested in the Viceroy should be strictly limited to genuine cases affecting the safety and tranquillity of British India or any part thereof.

Uplift of the Masses.

The meeting of the All-India Liberals is strongly of opinion that for the purpose of accelerating the process of nation-building, more strenuous, more sustained and more vigorous efforts must be put forth by the people and Government so as to bring sound and suitable education within the reach of the illiterate masses at an early date by means of compulsion; to improve their economic and moral condition by adequate measures, to raise their political status by a broadened franchise and in the case of the untouchables to remove untouchability which is a great impediment in the way of national advice. This meeting further calls up on the people to make adequate sacrifices to secure this object and the Government to find more money for the achievements of nation-building as quickly as possible.

Indianisation of the Services.

(1) This meeting of the All-India Liberals is of opinion that the real question on which it is necessary for the Government to have a definite policy for the future in connection with the Public Services is the question of the venue of recruitment.

(2) This meeting is further emphatically of opinion that in view of the fact that the traditions of administration established in this country by British Officers have been in full operation for over half a century at least and that many of the British Officers now serving in this country will continue to hold their appointments for nearly another 25 years, it is necessary both on economic and political grounds that recruitment in all Public Services should, in future, ordinarily take place only in India, power being reserved to the Government of India to recruit experts on special terms for limited periods.

(3) This meeting is further of opinion that the recruiting, appointing and controlling authority in future should be the Government of India and not the Secretary of State and that the Public Services Commission should be appointed by the Government of India to discharge in regard to recruitment and control of public services in India such functions as may be assigned thereto by rules made by the Government of India.

(4) That the basic pay of all these services should be on an Indian basis with special allowances to be given to British Officers on such conditions as may be determined by the Public Services Commission to be appointed hereafter.

(5) That in regard to any grievances of a financial character or of any other kind, this meeting is of opinion that they should be examined and redress given to public servants consistently with the financial capacity of the country to bear any additional financial expenditure; provided further that before any steps are taken in this behalf, the Legislative Assembly shall be taken in full confidence by the Government.

(6) This meeting of the All-India Liberals appoints Mr. C. Y. Chintamani to appear before the Commission to give evidence on behalf of the Liberal Federation.

Restatement of the Creed.

The object of the National Liberal Federation of India and of its component organisations is the attainment by constitutional means of Swaraj (responsible self-government) and Dominion status for India at the earliest possible date.

Swadeshi.

This meeting of the All-India Liberals strongly urges upon the people of India the urgent need of bringing into greater practice the doctrine of Swadeshi and calls upon them to make it a point to purchase Indian-made goods only, wherever possible.

Indians in Mauritius.

This meeting of the All-India Liberals urges the Government of India to enquire into any legislation under the contemplation of the Mauritius Government which is understood to prejudicially affect the political representation of Indians settled in Mauritius and to take effective steps to safeguard Indian interests against any impending danger. And if our countrymen there fail to get their grievance redressed, this meeting is of opinion that further assisted emigration of Indian labour to that Colony be stopped as soon as possible.

Appointment of Office-bearers.

This meeting of the All-India Liberals appoints Mr. C. Y. Chintamani and Pandit Gokaran Nath Misra as Secretaries for the next year and directs that the All-India Council should be constituted in accordance with the lists to be submitted by provincial Liberal organisations by the end of January 1924.

Party Organisation.

Whereas in the opinion of the Federation it is imperatively necessary that effective steps should be taken immediately to re-organize the Liberal Party so as to bring about greater solidarity among its ranks, to extend the scope of its influence and to increase its utility and to carry on an effective propaganda for the early attainment of responsible government and the securing of a status for Indians overseas compatible with India's status as an equal partner of the British Commonwealth, and whereas it is realised that these objects cannot be achieved without first raising a large Party Fund, secondly, without increasing its membership, thirdly without adopting a definite programme and policy for work, fourthly, without securing public support for that programme and policy and educating the electorates either by speeches or through the Press, English and Vernacular, or by taking other steps that may be necessary, this meeting of the All-India Liberals is of opinion that the work of organization should be entrusted to a Committee.

This meeting further revolves that 1. Dr. Sir Tej Bahadur Sapur, K. C. S. I. (Chairman); 2. The Right Hon'ble V. S. Srinivasa Sastry, P.C.; 3. Dr. R. P. Paranjype; 4. Mr. S. M. Chitnavis (Nagpur); 5 and 6. Mr. C. Y. Chintamani; and Pandit Gokaran Nath Mishra.—*Secretaries*, be asked to form themselves into a Committee with power to co-opt such and so many other members of the Party in India as may seem to them necessary.

This meeting directs that the abovenamed gentlemen shall pay visits to important centres in the country to interview members of the Liberal Party, to address meetings and to take all such other steps as may be necessary for the raising of the funds and increasing the membership of the Party and securing support for its programme and policy.

It further directs them to prepare a scheme of work by the members of this Party to be carried on among the electorates and the people at large.

It further directs them to consider the advisability of sending a deputation of two or three members to England at such time as may seem to them proper for securing support there to the programme for further constitutional advance.

And it further authorises the Committee to take steps for raising Funds for this deputation and also for the establishment of an organization in England for the dissemination of the views held by this Party and for securing the co-operation and support of English politicians and public men. It further directs this Committee to submit a report of its work to the Council of the Liberal Federation not later than the end of May 1924 and in consultation with the Council to arrange for the holding of a special session, if necessary, at such time and place as may be found suitable.

This meeting places the sum of Rs. 10,000 at the disposal of the Organizing Committee to enable it to carry on the work indicated above.

The Federation further authorises the Organising Committee to carry on the work of the Council pending its appointment, after which it shall be open to the Council to delegate all or any of its functions to the Organising Committee.

Next Session of the Federation.

The next session of the Federation be held at Lucknow in United Provinces.

APPENDIX VII.

THE REPORT OF MR. BALWANT SINGH, BARRISTER-AT-LAW, PUNJAB CIVIL SERVICE MAGISTRATE OF THE FIRST CLASS, WHO WAS DEPUTED TO INQUIRE INTO THE INCIDENTS THAT TOOK PLACE AT JAITO ON THE 21ST FEBRUARY 1924.

Under the orders of the Local Government I have held an enquiry into the unfortunate incidents that took place on the 21st February, 1924, at Jaito in Nabha State, in connection with the arrival of the Shahidi Jatha of 500 men with the announced object of resuming the alleged interrupted Akhand Path in Gurdwara Gangsar. I have examined as many as 56 witnesses, including the Administrator of Nabha State, Mr. J. Wilson Johnstone, the President and two members of the Faridkot Council of Regency, the military officers in charge of the operations that day, Lieutenant-Colonel J. C. Coldstream, Deputy Commissioner, Ferozepore, several raises and villagers of Nabha State, and some Akali members of the Shahidi Jatha.

Before going into the evidence given by the witnesses, it may be explained here that a batch of about 25 Akalis is being daily arrested by the Nabha State authorities at Jaito on their way to the Gurdwara to resume Akhand Path. They are usually non-violent in their character, but the declared object of the Shahidi Jatha, as its name implies, was a different one. It was to enter the Gurdwara and to resume Akhand Path at all costs and not to sheepishly surrender themselves like other Akalis to the usual arrests only on their way to the gurdwara, and even if they were once turned out, they would again and again come and in the attempt they would even go to the extent of losing their lives.

So the object of the jatha was unusually strong and a different one. At least it is obvious enough that a marked distinction did really exist.

"OPPORTUNITY FOR DARING ONES."

From the evidence on record it seems that the announcement of the formation of such a jatha was indeed great news for the Akali public and for the Nabha people. If was an opportunity for the daring ones to come to the forefront, get themselves enlisted in the ranks of the jatha, and to do something practically. It was also welcome news for the extremist section of the Congress, as is shown by the presence of Professor Gidwani and Dr. Kitchlew with the jatha. So the arrival of such a jatha naturally attracted large crowds at every halting place all along their way to Jaito. Some of them brought sweets and refreshments for them, others came as mere spectators, paid their durshan to the Jatha, and went away; but many more accompanied them, encouraged them and openly declared their intention of using force against those who happened to intercept the onward march of the Shahidi Jatha.

A member of the Shahidi Jatha, Jagat Singh, relates an incident of an offer of a subsidy of 500 men to the jatha. There is evidence to show that at Hari-ke-patan the Droli Jatha visited the Shahidi Jatha, but they were told to go away and replied that they would go away then, but would join the Shahidi Jatha either at Lande or Bargari. It appears that at Lande a large number of the Droli Jatha arrived, including many who visited Hari-ke-patan. In a dewan held there in the evening, a member of the Droli Jatha is said to have addressed the Shahidi Jatha saying that he had brought 500 men for their safety, but the Shahidi Jatha must arrange for their food in their langar, which was separate from that which was provided for ordinary people coming to see the jatha and which had up till then been exclusively used by members of the Shahidi Jatha. Accordingly the Shahidi Jatha fed them in their langar.

Droli Jatha's help.

Further there is also evidence that on their way from Bargari to Jaito the Chief Jathadar halted the Jatha and addressed the Droli Jatha that the time for their work had come. There is evidence to show that the Shahidi Jatha, instead of proceeding to Samalsar according to their published programme, went to Lande village in the Moga tehsil, to which the principal members of the Droli Jatha belong, apparently with the object of obtaining help of all sorts from the members of the Droli Jatha. Lieutenant-Colonel Coldstream, Deputy Commissioner of Ferozepore, states that he received reports from the Tehsildar of Moga after the jatha had left its last camp in the Ferozepore district, that the Droli men had left with the Shahidi Jatha and some of them were armed with revolvers.

In spite of the statement that they were so mixed up with the crowd that it was hard to distinguish them from others, there is overwhelming evidence to show that they were really the leaders of the most noisy, yelling and disorderly majority of the mob following the Jatha. Ultimately at Bargari, in Faridkot territory the last halting-place of the jatha, the number of the mob swelled up between eight to ten thousand.

There is evidence to show that at Bargari, a large number of men belonging to Nabha State waited upon the Shahidi Jatha to reason with them and to dissuade them from coming in such large numbers and in that military formation. L. Izat Rai, a Member of Faridkot Council and other witnesses, state that the mob, after they had left Baragari, armed themselves with tambas (cudgels) freshly lopped off from trees.

Nabha Officials Preparations.

On the other side the Nabha State officials were making preparations for the reception of the Jatha. Their arrangements, as is stated by Mr. Wilson Johnston, were all for the convenient handling of these 500 men and their sardars, which were expected to be not more than 200 to 300, by splitting them into small parties by the use of barbed wires and barriers in order to facilitate their arrest. Even in spite of various reports which the Administrator received from time to time that a mob of Akalis were flocking round the Jatha in large numbers, he seems to have never thought that all this mass of uncontrolled individuals would really accompany the Shahidi Jatha.

Ten Thousand Akalis.

A deputation of villagers of Ilaka Nabha, as above-mentioned, requested the Shahidi Jatha to send away these big crowds, and especially the irresponsible Drolis, whom they feared most, and also that they were welcome to enter the gurdwara in batches of 50 at a time, but all this was to no purpose. There is evidence to show that the members of the deputation were not only ridiculed but were treated with considerable rudeness by the mob. On the morning of the 21st, a mob of about 10,000 Akalis, ranging on a front of half-a-mile in length, started from Bargari.

It may be noted that the mob was met by the State officials at the canal distributory within the Nabha territory and a notice was read out to them asking them not to proceed in such large numbers, but that they should come according to the proclamation issued, that is 50 at a time, on the condition that they would leave the Nabha territory after the Akhand Path had been finished. But they refused to listen to them and moved on and on. It may also be pointed out here that up to Bargari the Granth Sahib (Sikh scriptures) was in front of the procession, but from Bargari onwards it was removed to the centre and the band which had accompanied them was dismissed. There is evidence to show that this arrangement was deliberately made to prevent sacrilege in case of conflict, and the Droli Jatha took up the position on their flanks.

A Serious Situation.

As the Administrator never imagined that he would ever stand in need of using troops in arresting the Jatha, he had only some villagers, police and some men of the State Infantry with him. With the exception of 20 policemen, who were armed with smoothbore guns, all the rest had dangs. It was a little time before the Jatha came in sight, that one of the sowars and L. Izat Rai, a member of the Faridkot Council, warned him of the seriousness of the situation. He ordered a platoon of the State Infantry to go and change their lathis for rifles. Colonel Muirhead meanwhile arrived.

The clouds of dust and the consequent enormity of the numbers of the mob coming in advance of the Jatha, thus greatly excited in mood, the disorderly way in which they were advancing and the brandishing of all sorts of weapons with which they were armed, made the Administrator change his former arrangements and he issued orders to the villagers to withdraw from the scene. Realising the seriousness of the situation, Colonel Muirhead also called in a squadron of Skinner's Horse and stationed them on the left of the road from Bargari to Jaito to command a more central position, while the six platoons of Gurkhas were called closer in reserve.

A Disorderly Rabble.

The Shahidi Jatha was at this time totally screened and hemmed in by this disorderly rable, who seemed to be prepared for an onslaught. The Akali mob was at a distance of about 200 yards from the first barrier, when Mr. J. Wilson-Johnston, along with some other State officials, advanced to meet them and with outstretched arms shouted at the top of his voice, asking them to halt and to disperse, and repeatedly warned them of his being obliged to open fire in case they refused to do so. But they did not listen to him and defied him by making a wild dis-

play of their weapons and told him that they had come there to die, so much so that he had to run back to the barriers.

The mob followed him recklessly and seems to have absolutely forgotten the sanctity of the proposed non-violent object of the Shahidi Jatha. The leading men of the mob were at a distance of 8 to 10 paces from Mr. J. Wilson-Johnston when he issued orders to the police to fire three rounds controlled fire.

Justification for firing.

Now in order to judge whether this firing was justified or not, we must reiterate some of the events already mentioned. The jatha as usual started on the instructions of Shri Gurdwara Parbandhak Committee and has sworn to remain non-violent under circumstances of the gravest provocation. But their amalgamation with violent jathas, that is, the Droli Jatha, etc., and the huge crowds armed with all sorts of weapons which they could catch hold of was certainly a breach of the precept. The lopping off tambas from trees on the way is a proof of the mob's preparation to use force in case an attempt was made to stop them. Had the Jathadar of the Shahidi Jatha tried in earnest to send off the gathering crowd he could have done so by vigorously appealing to the mob and by expounding the sanctity of the mission.

The way in which the Shahidi Jatha men encouraged the Droli Jatha men and others to accompany them, accepted all offers of sweets from them, had a common langar at Tartaran and Bargari, did not check them from the lopping of cudgels from the trees on the way, allowed them to make all sorts of noises round the Granth Sahib and changed their way from Smalsar to Lande is sufficiently incriminating. But on the other hand, the repeated requests of the Shahidi Jathadar in asking them to allow his jatha to proceed on unattended to Jaito and also his statements that they had taken the solemn vow of remaining non-violent, both in words and in action makes us believe that this was merely a subterfuge, especially in view of his action I have noted above, of calling on the Droli Jatha to do their part when the mob was nearing Jaito.

Characteristic Rowdyism.

Thus it is obvious that the mob, as a matter of fact, accompanied the jatha with its connivance if not with its expressed consent and so the members of the Shahidi Jatha, by their unpardonable conduct, put the Nabha authorities in such an awkward position that they could not have saved the situation without firing on the mob. As already shown they ridiculed and rudely treated the panchayat and kept on advancing towards Jaito. They did not care for anything and went on with all their characteristic rowdyism. They defied the Administrator and the State officials and even threatened him by closely following him at his heels, and waved their weapons in a way which clearly showed their intention of breaking through the barriers and making short work of all that fell in their way. The mob seemed to be determined in the course they had adopted, as is shown by their subsequent conduct. They went on even when they were warned that they would be fired upon.

The Administrator, after doing all that he could really do to peacefully ward off the danger to the Gurdwara village and the villagers of Jaito, became helpless. The situation in which he was thus placed was simply hopeless and the only solution to

the impending danger was to disperse them by the use of force. The efforts of the officers of the Ferozepore district at Talwandi Bhai to bring them to reason, of the Faridkot authorities in forbidding their subjects to join them, the waiting of panchayats upon them, the offer of the authorities that they could come to the Gurdwara in batches of 50 at a time, and finally the loud warnings of the Administrator, Mr. J. Wilson-Johnston, are all sufficient proofs of the coolheaded way in which they were handled.

Dash towards Tibbi Sahib.

But they seemed to be bent upon what they did, and so it was, I believe, as an absolute necessity that the Administrator opened fire and that none too soon. Even after this short burst of fire the mob showed no signs of retiring. They swerved on to their right and made a dash towards Tibbi Sahib. The situation being grave and critical once more, Mr. J. Wilson-Johnston had to order the State platoon to fire three rounds of controlled fire again, which was accordingly done. There is evidence to show that fire-arms were also being used by the Akalis' side.

One Immamuddin, a resident of Dubri Khana, a village in the Nabha State, received a shot under his left thigh ; one bullet passed through the turban of Hazura Singh No. 13, another pierced through a door of a cattle shed belonging to a resident of Jaito and several others whizzed past by various British officers and Sardar Bahadur Sundar Singh President of the Faridkot Council, etc. The Akali Shahidi witnesses also tell us about the use of a gun by one Jagat Singh of the Droli Jatha. Immamuddin, Hazura Singh, Sardar Bahadur Sardar Inder Singh, etc., the witnesses above referred to, were behind the firing party, so it is highly improbable for these shots to have come from any other side than the Akalis.

There is no denying the fact that the jatha was accompanied by a large mob under the leadership of the Droli Jatha, whose ringleaders were Sucha Singh and Dulla Singh, budmashes ; but the evidence given before me that the number of guns with the Akalis ranged from 5 to 10 or 12 does not seem to be convincing. For the purpose of this enquiry, however, I think it is not necessary for me to determine the exact number of the guns the Akalis possessed or used. All that I have got to determine is whether they did use any firearms. After giving a thoughtful consideration to this I am of opinion that they had a few guns and they used them all right at the time.

Mob Absolutely Violent.

As to the question, who began the firing I consider that whichever party began the firing does not matter much as there is overwhelming evidence to show that the mob was prepared to achieve its end by all possible means and was so constituted that a prudent man, under the circumstances had no option but to open fire to repeal their menacing advance in military formation. Now when the Akali mob became absolutely violent, as is shown by their conduct in openly exchanging shots with the State forces, the authorities were free to deal with them in a way that most benefited their conduct. Had they dispersed and resorted to their usual peaceful way the authorities who, as has been shown above, were ill prepared for an onslaught would have certainly stopped firing. But the unfortunate mob made a battle of the whole show. They advanced on to their right in full force in order to capture the Gurdwara Tibbi Sahib by general assault.

The Administrator, once more observing the frantic rush of the mob to the left, ordered another three rounds of controlled fire. In the meantime Major Bell Kingsley, finding that a mass of Akalis was trying to reach Tibbi Sahib from the side where he had taken up his position with a platoon of the 1st-4th Gurkhas, fired upon them. He states that his men were also exposed to a great danger and some of the bullets from the Akali side actually fell at a distance of a few paces from him.

The Most Desperate Charge.

After this the mob faltered for a few moments, but when they had once gone out of control there was no receding. They swept on furiously under the leadership of Sucha Singh, mounted on a white pony with a drawn sword in his hand and issuing orders in English. This was the most desperate charge which they made. But Major Lorrimer and his 10 dismounted sowars completely dispersed them after two short bursts of fire. The Akalis broke up finally and had to be pursued for a distance by Colonel Muirhead to stop theirrejoining the party that had reached the Tibbi Sahib.

No violence was used in their final dispersal by the sowars and it was simply done to stimulate the flying Akalis into further efforts to vanish. The suggestion that it would have been much better had the authorities used some other force, say, the use of lathis instead of firing, is suggesting something which, in my opinion, could not meet the exigencies of time. The mob was, as has been shown already, armed with all sorts of weapons, including firearms. How was it possible to stop them by the use of a corresponding and rather unsuitable use of a force like that of the lathi ? It would have been still worse and still more impossible to disperse them in this way.

The Total Casualties.

From the evidence before me I gather that 14 Akalis were found shot dead and 34 wounded on the evening of the 21st, out of whom five died next day. The total number of casualties thus coming up to 19 dead and 29 wounded in all. Three wounded were brought in from Ferozepur by the police on the third day. Keeping in view the comparatively small number of casualties out of such a huge crowd leads me to believe that the force used was minimum and the firing was considerate. My view is strengthened by the fact that the party in charge of the Granth Sahib was deliberately left to proceed unharmed to the Tibbi Sahib.

Had the State forces directed their guns to the palanquin containing the Granth Sahib I think it highly improbable that it could have reached the Tibbi Sahib unmolested. This undoubtledly shows that the State officials had no intention to fire upon the Shahidi Jatha if they did not resort to any violence. The Shahidi Jatha lost a few of its members only on account of its being thoroughly hemmed in and screened by the stampeding mob, who were trying to capture the Gurdwara by a general assault.

Wounded attended to.

The evidence of all the witnesses, from the Administrator downwards, including the Akali Jatha men and the medical attendants on both sides, shows that after the firing had ceased all the wounded were properly attended to by the doctors and they

were all conveyed to the camp, after first aid had been rendered to them. The statement of Sub-Assistant Surgeon Kehar Singh, who had accompanied the Jatha, throws sufficient light upon the good treatment the wounded men were meted out by the authorities. He also tells us that he was provided with all the necessary dressing materials by the State authorities, and that he was in no way deterred from tendering medical aid to his men, nor was he or any of their medical staff beaten or ill-treated.

The authorities then arrested the Shahidi Jatha on the skirts of the mound on which the Tibbi Sahib stands, but they did not touch these who were in immediate charge of the palanquin of the Sowari Sahib and requested the party to convey the Granth Sahib either to the village dharmsala or to the Gurdwara to save it from the disgrace of its being placed on unclean ground. The party refused all terms, but they voluntarily withdrew at about 10 P.M., when some of the selected Sikhs of the State took the Granth Sahib to the village dharamsala with due respect and ceremony.

Authorities justified.

To sum up, it is abundantly clear that the mob and the Shahidi Jatha defied all efforts on the part of the people and authorities of the Nabha State to reason with them and chose an unreasonable course; that the mob was in an excited mood and armed with all sorts of weapons, including firearms, and prepared to see through the game. They all knew what the game was, and even went to the extent of insulting and assaulting the Administrator, and after brandishing the weapons they actually used the firearms. It was but natural, and the only course left to the Administrator was to order firing, which was done not too soon. The small number of the casualties in such a big mob shows that the firing was controlled and did not exceed the exigencies of the moment. The wounded were attended to at once, and but for the complicity of the Droli Jatha the unfortunate (affair) could not have happened.

(Sd.) BALWANT SINGH MALWA,

Barrister-at-law, P. C. S.,

Magistrate, 1st class.

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